



# SPECIAL RELEASE

## May 2018 Price Situation in the Cordillera (Base Year: 2012)

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### Consumer Price Index

- Consumer Price Index (CPI) is the general measure of the change in the average retail prices of a market basket or collection of goods and services commonly purchased by the average Filipino household.
- The CPI of the Cordillera Administrative Region (CAR) in May 2018 was 115.2. This was higher by 4.2 index points from the 111.0 CPI of May 2017 using 2012 as the new base year.
- Rebasing CPI is necessary to ensure that this barometer of economic phenomena is truly reflective of current situation. Consumer taste, fashion and technology change over time causing the fixed market basket of goods and services to become outmoded. To capture such changes for a more meaningful price comparison, revision or updating of the fixed market basket, the sample outlets, the weights and the base year had to be done periodically. The CPI is an indicator that derives its usefulness in its representation of how much a typical market basket behaves over a specific period.

**Table 1. Consumer Price Index by Province, CAR:  
May 2017 and 2018  
(2012=100)**

| Province     | May          |              | Index Point Change |
|--------------|--------------|--------------|--------------------|
|              | 2017         | 2018         |                    |
| <b>CAR</b>   | <b>111.0</b> | <b>115.2</b> | <b>4.2</b>         |
| Abra         | 108.7        | 111.8        | 3.1                |
| Apayao       | 112.3        | 115.3        | 3.0                |
| Benguet      | 112.4        | 117.1        | 4.7                |
| Ifugao       | 108.0        | 111.9        | 3.9                |
| Kalinga      | 112.3        | 118.0        | 5.7                |
| Mt. Province | 108.2        | 111.1        | 2.9                |

Source: Philippine Statistics Authority

- Among the CAR provinces, Kalinga posted the highest CPI for May 2018 at 118.0, followed by Benguet at 117.1, and Apayao at 115.3. Mountain Province posted the lowest CPI at 111.1.

- In terms of index point change, Kalinga incurred the highest increase at 5.7 index points, followed by Benguet and Ifugao with 4.7 and 3.9 points increase, respectively.

### CPI by Commodity Groups

- Among the commodity groups, Alcoholic Beverages and Tobacco had the highest CPI in the region at 190.0. The province of Apayao incurred the highest CPI on this commodity at 294.1, followed by Abra, and Kalinga at 228.6, and 205.3, respectively.
- Education registered the second highest CPI among the commodity groups in the region for May 2018 at 123.4 index points. Among the provinces, Kalinga had the highest index on education at 178.6, while Abra and Apayao had the lowest both at 115.5.
- Clothing and Footwear ranked third at 117.7 index points. Mountain Province recorded the highest index on clothing and footwear at 121.6, followed by Kalinga and Ifugao at 119.0, and 118.8 index points, respectively.
- Communication continued to have the lowest CPI among the commodity groups in the region with 101.3 index. The province of Abra incurred the highest index on communication with 103.6 index points, while Mountain Province had the lowest at 100.0 index points.
- Among the CAR provinces, Kalinga incurred the highest CPI for all items with 118.0, while Mountain Province have the lowest index at 111.1.

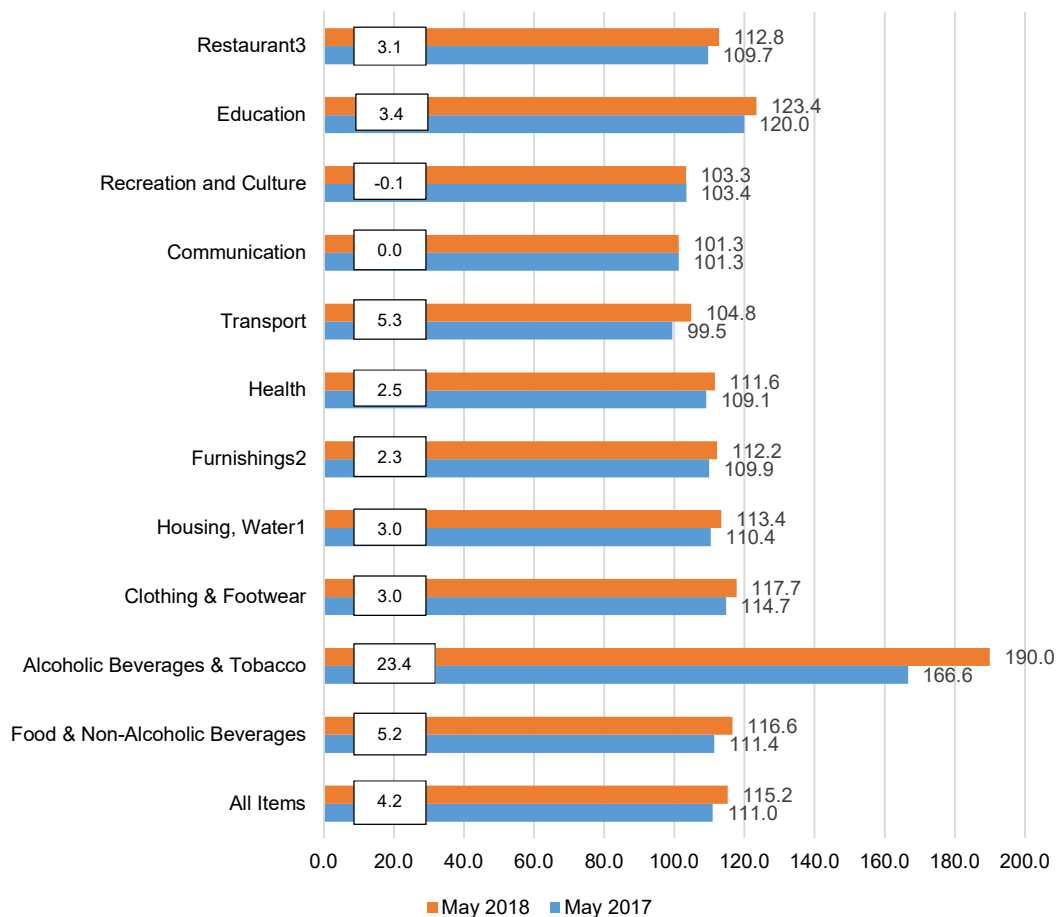
**Table 2. Consumer Price Index by Commodity Group and by Province, CAR:  
May 2018 (2012=100)**

| Commodity Group  | Region/Province |              |              |              |              |              |              |
|--|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | CAR             | Abra         | Apayao       | Benguet      | Ifugao       | Kalinga      | Mt. Province |
| <b>All Items</b>   | <b>115.2</b>    | <b>111.8</b> | <b>115.3</b> | <b>117.1</b> | <b>111.9</b> | <b>118.0</b> | <b>111.1</b> |
| Food and Non-Alcoholic Beverages                                     | 116.6           | 113.9        | 113.0        | 118.2        | 111.3        | 119.3        | 114.5        |
| Alcoholic Beverages & Tobacco  | 190.0           | 228.6        | 294.1        | 175.7        | 173.9        | 205.3        | 162.9        |
| Clothing and Footwear  | 117.7           | 114.4        | 110.7        | 118.3        | 118.8        | 119.0        | 121.6        |
| Housing, Water, Electricity, Gas and Other Fuels                     | 113.4           | 102.1        | 114.5        | 118.0        | 118.5        | 107.9        | 109.9        |
| Furnishing, Household Equipment and Routine Maintenance of the House | 112.2           | 110.5        | 113.0        | 111.8        | 111.6        | 120.5        | 108.9        |
| Health   | 111.6           | 104.9        | 107.3        | 115.5        | 105.9        | 115.5        | 103.9        |
| Transport  | 104.8           | 103.4        | 102.6        | 106.1        | 98.6         | 105.6        | 107.0        |
| Communication  | 101.3           | 103.6        | 103.2        | 100.4        | 101.4        | 103.5        | 100.0        |
| Recreation and Culture   | 103.3           | 107.0        | 111.1        | 100.8        | 106.2        | 109.5        | 102.8        |
| Education  | 123.4           | 115.5        | 115.5        | 122.4        | 122.1        | 178.6        | 153.1        |
| Restaurants and Miscellaneous Goods and Services                     | 112.8           | 109.8        | 115.6        | 113.1        | 109.3        | 118.9        | 110.2        |

Source: Philippine Statistics Authority

- By index point change, Alcoholic Beverages and Tobacco recorded the highest which increased by 23.4 points. Increases were also incurred in Transport (5.3 points), and Food and Non-Alcoholic Beverages (5.2 points). The rest of the commodity groups reported minimal annual increases.

**Figure 1. Year-on-Year Consumer Price Index by Commodity Group, CAR: May 2017 and 2018 (2012=100)**



**Notes:**

<sup>1</sup> includes Electricity, Gas & Other Fuels

<sup>2</sup> includes Household Equipment and Routine Maintenance of the House

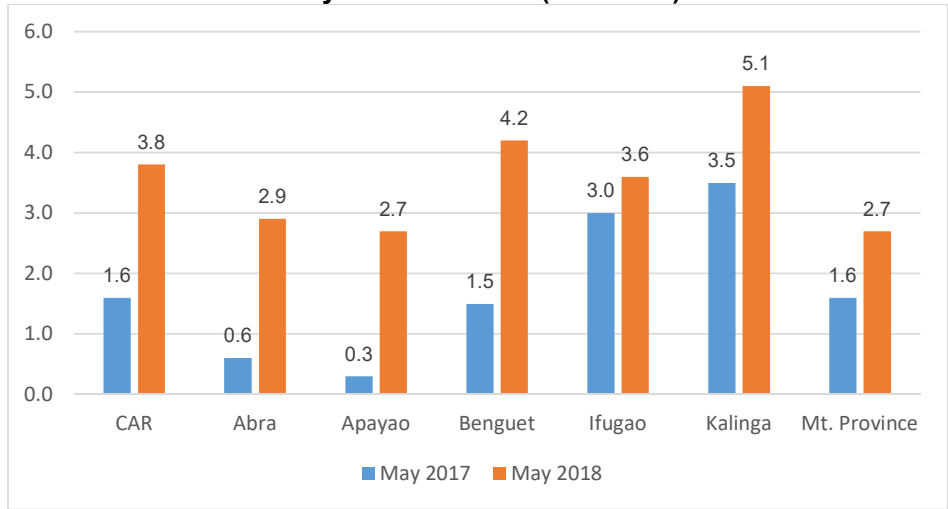
<sup>3</sup> includes Miscellaneous Goods and Services

Source: Philippine Statistics Authority

**Inflation Rate**

- Average increase in prices of goods and services in the region accelerated to 3.8 percent in May 2018.
- Kalinga posted the highest inflation rate at 5.1 percent, followed by Benguet at 4.2 percent.
- Inflation of all the provinces surpassed the May 2017 rates that had lower inflation rates in May 2018 relative to the same month last year.

**Figure 2. Year-on-Year Inflation Rates by Province, CAR: May 2017 and 2018 (2012=100)**



Source: Philippine Statistics Authority

**By Commodity Group, Year- on-Year**

- Year-on-year inflation rate of the heavily-weighted Food and Non-Alcoholic Beverages index in the region accelerated to 4.7 percent from 4.6 percent in the previous month.
- Alcoholic Beverages & Tobacco had the highest inflation among other commodities in the region with 14.0 percent, followed by Transport with 5.3 percent.
- Meanwhile, inflation rates for Health, Recreation and Culture, and Education were the same last month.

**Table 3. Year-on-Year Inflation Rates by Commodity Groups,  
CAR: April and May 2018 (2012=100)**

| Commodity Group   | Inflation Rates |            |
|---|-----------------|------------|
|   | April           | May        |
| <b>All Items</b>  | <b>3.3</b>      | <b>3.8</b> |
| Food and Non-Alcoholic Beverages                                      | 4.6             | 4.7        |
| Alcoholic Beverages & Tobacco   | 11.8            | 14.0       |
| Clothing and Footwear   | 2.8             | 2.6        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 1.8             | 2.7        |
| Furnishing, Household Equipment<br>& Routine Maintenance of the House | 1.4             | 2.1        |
| Health  | 2.3             | 2.3        |
| Transport   | 4.0             | 5.3        |
| Communication   | -0.2            | 0.0        |
| Recreation and Culture  | -0.1            | -0.1       |
| Education   | 2.8             | 2.8        |
| Restaurants and Miscellaneous Goods and<br>Services                   | 2.7             | 2.8        |

Source: Philippine Statistics Authority

#### By Food Items, Year-on-Year

- Vegetables (11.8), Corn (11.3), and Meat (6.3) persisted to be the top three highest price increases in May 2018.

**Table 4. Year-on-Year Inflation Rates of Selected Food Items, CAR:  
April and May 2017 and 2018 (2012=100)**

| Food Items   | 2018  |       | 2017  |       | Inflation Rates |         |
|--|-------|-------|-------|-------|-----------------|---------|
|  | April | May   | April | May   | Previous        | Current |
| Bread and Cereals                                  | 117.0 | 117.8 | 111.8 | 112.3 | 4.7             | 4.9     |
| Rice   | 117.8 | 118.7 | 111.9 | 112.5 | 5.3             | 5.6     |
| Corn   | 140.9 | 143.3 | 125.9 | 128.8 | 11.9            | 11.3    |
| Other Cereals*                                     | 113.1 | 113.4 | 110.6 | 110.7 | 2.3             | 2.4     |
| Meat   | 114.8 | 116.2 | 108.2 | 109.3 | 6.1             | 6.3     |
| Fish   | 112.7 | 113.5 | 111.9 | 112.3 | 0.7             | 1.1     |
| Milk, Cheese and Eggs                              | 114.2 | 114.1 | 109.9 | 110.3 | 3.9             | 3.4     |
| Oils and Fats                                      | 111.7 | 111.9 | 109.6 | 109.6 | 1.9             | 2.1     |
| Fruits   | 135.0 | 133.3 | 130.6 | 132.4 | 3.4             | 0.7     |
| Vegetables   | 115.5 | 116.7 | 103.8 | 104.4 | 11.3            | 11.8    |
| Sugar, Jam, Honey,<br>Chocolate &<br>Confectionery | 107.9 | 107.8 | 108.4 | 107.4 | -0.5            | 0.4     |
| Food Products, N.E.C.                              | 108.5 | 108.6 | 105.0 | 106.1 | 3.3             | 2.4     |

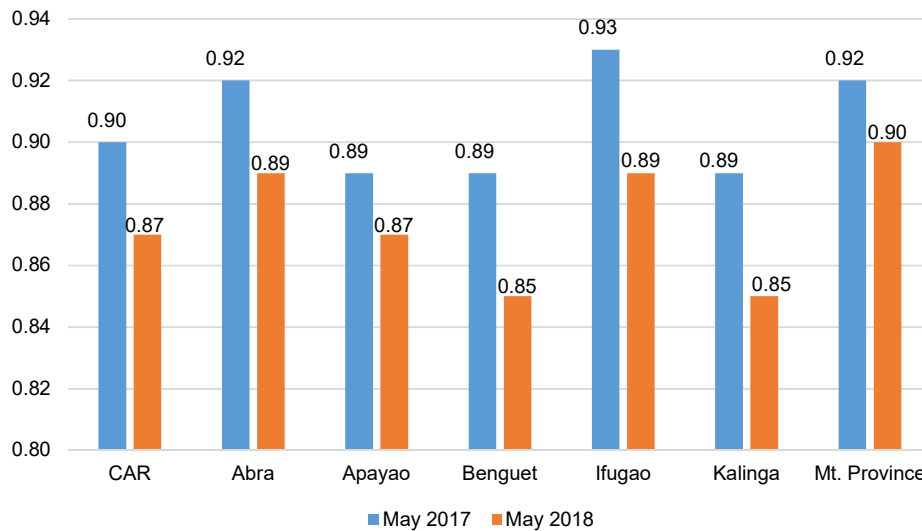
\*Includes flour, cereal preparation, bread, pasta and other bakery products

Source: Philippine Statistics Authority

### Purchasing Power of the Peso (PPP)

- The value of the peso in the region was 87 centavos in May 2018. This dropped by three centavos from 90 centavos in May 2017. This means that one peso in 2012 is worth 87 centavos in 2018.
- In other words, a basket of goods that can be bought 100 pesos in May 2012 is worth 115 pesos in May 2018.
- The PPP in all the provinces generally weakened in May 2018 as compared to May 2017.
- Mt Province had the highest peso value at 90 centavos. Meanwhile, Benguet and Kalinga had the lowest peso value both at 85 centavos.

**Figure 3. Purchasing Power of the Peso by Province, CAR:  
May 2017 and 2018  
(2012=100)**



Source: Philippine Statistics Authority

**VILLAFE P. ALIBUYOG**  
Regional Director

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| <b>Technical Notes</b> |
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**Consumer Price Index (CPI)** is a general measure of the change in the average retail prices of a market basket or collection of goods and services commonly purchased by the average Filipino household.

**Inflation Rate (IR)** is the rate of change in the average price level between two periods (year-on year/month-on-month as measured by the CPI).

**Purchasing Power of the Peso (PPP)** measures how much the peso in the reference year is worth in another year.

**Base Year (BY)** is the reference point of the index number series, at which the index number is set to 100. It is the reference point of the index number series.

The CPI is now rebased to 2012 base year from the current 2006 base year. The year 2012 was chosen as the next base year because it was the latest year when the Family Income and Expenditure Survey (FIES) results were made available. It is also the synchronized rebasing of the price indices to base year 2006 and every six years thereafter.

**Market Basket (MB)** is a sample of goods and services used to represent all goods and services produced or bought.

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