



SPECIAL RELEASE

July 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 July 2018 was 116.1. This was higher by 4.6 index points from the 111.5 CPI of July 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, sample outlets, weights, and 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:
July 2017 and 2018
(2012=100)**

Province	July		Index Point Change
	2017	2018	
CAR	111.5	116.1	4.6
Abra	109.3	112.3	3.0
Apayao	112.2	118.9	6.7
Benguet	113.0	117.7	4.7
Ifugao	107.7	112.4	4.7
Kalinga	113.2	120.0	6.8
Mt. Province	108.4	111.6	3.2

Source: Philippine Statistics Authority

- Among the CAR provinces, Kalinga posted the highest CPI for July 2018 at 120.0, followed by Apayao at 118.9, and Benguet at 117.7. Mountain Province posted the lowest CPI at 111.6.

- In terms of index point change, Kalinga incurred the highest increase at 6.8 index points, followed by Apayao with 6.7 points increase.

CPI by Commodity Groups

- Among the commodity groups, Alcoholic Beverages and Tobacco had the highest CPI in the region at 200.4. The province of Apayao incurred the highest CPI on this commodity at 310.0, followed by Abra and Kalinga at 241.0, and 220.3, respectively.
- Education registered the second highest CPI among the commodity groups in the region for July 2018 at 121.8 index points. Among the provinces, Ifugao had the highest index on education at 179.1, followed by Benguet and Mountain Province at 121.6 and 120.5, respectively. Apayao had the lowest at 60.9.
- Clothing and Footwear ranked third at 118.8 index points. Kalinga recorded the highest index on clothing and footwear at 120.8, followed by Ifugao and Benguet at 120.0, and 119.8 index points, respectively.
- Communication continued to have the lowest CPI among the commodity groups in the region with 101.3 index. The province of Apayao incurred the highest index on communication with 103.7 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 120.0, while Mountain Province have the lowest index at 111.6.

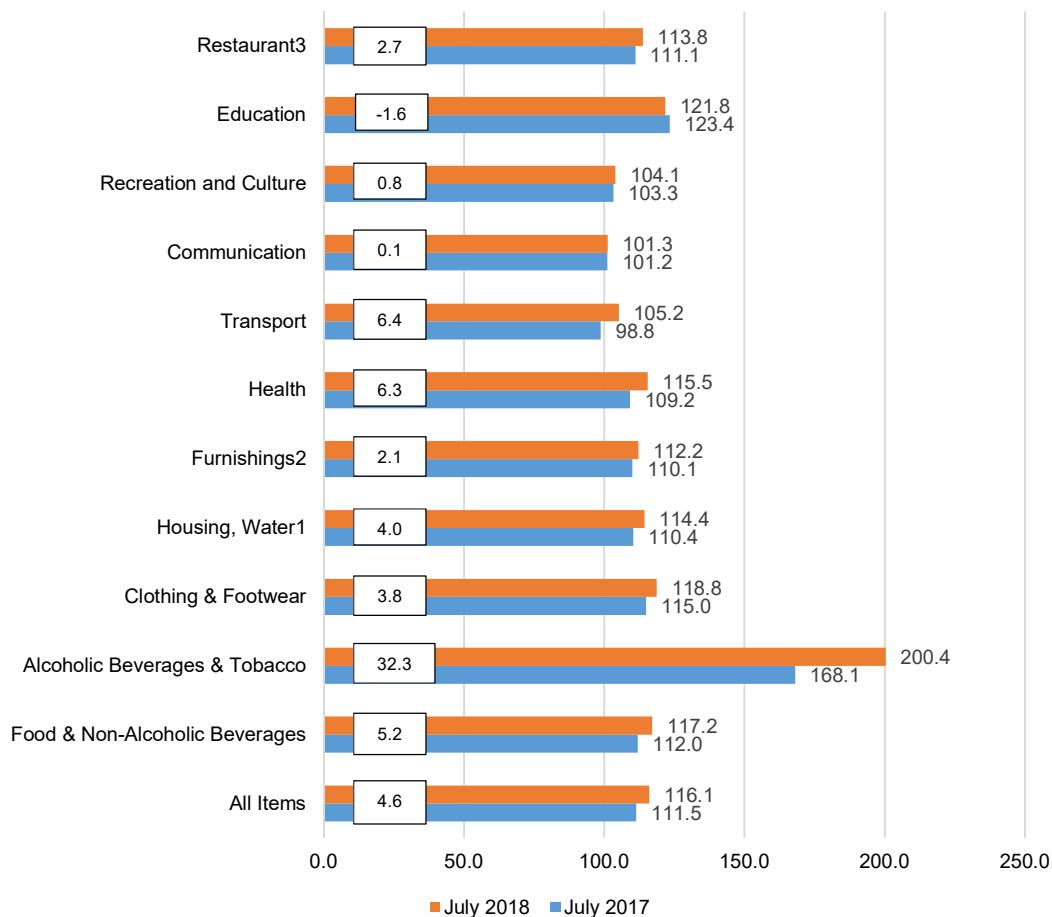
Table 2. Consumer Price Index by Commodity Group and by Province, CAR: July 2018 (2012=100)

Commodity Group	Region/Province						
	CAR	Abra	Apayao	Benguet	Ifugao	Kalinga	Mt. Province
All Items	116.1	112.3	118.9	117.7	112.4	120.0	111.6
Food and Non-Alcoholic Beverages	117.2	113.7	115.3	118.2	111.7	121.8	116.3
Alcoholic Beverages & Tobacco	200.4	241.0	310.0	186.5	179.9	220.3	164.7
Clothing and Footwear	118.8	115.4	112.1	119.8	120.0	120.8	119.5
Housing, Water, Electricity, Gas and Other Fuels	114.4	106.6	119.2	118.6	119.4	108.6	110.0
Furnishing, Household Equipment and Routine Maintenance of the House	112.2	110.7	115.7	111.6	111.8	121.3	108.9
Health	115.5	105.2	108.1	122.4	106.0	118.7	102.7
Transport	105.2	103.8	108.2	105.8	99.6	106.0	107.3
Communication	101.3	103.6	103.7	100.4	101.4	103.5	100.0
Recreation and Culture	104.1	107.6	115.6	101.0	106.7	112.4	104.1
Education	121.8	100.8	60.9	121.6	100.0	179.1	120.5
Restaurants and Miscellaneous Goods and Services	113.8	109.7	117.5	114.4	110.2	119.6	110.3

Source: Philippine Statistics Authority

- By index point change, Alcoholic Beverages and Tobacco recorded the highest increase by 32.3 points. Increases were also incurred in Transport (6.4 points), Health (6.3 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: July 2017 and 2018 (2012=100)



Notes:

¹ includes Electricity, Gas & Other Fuels

² includes Household Equipment and Routine Maintenance of the House

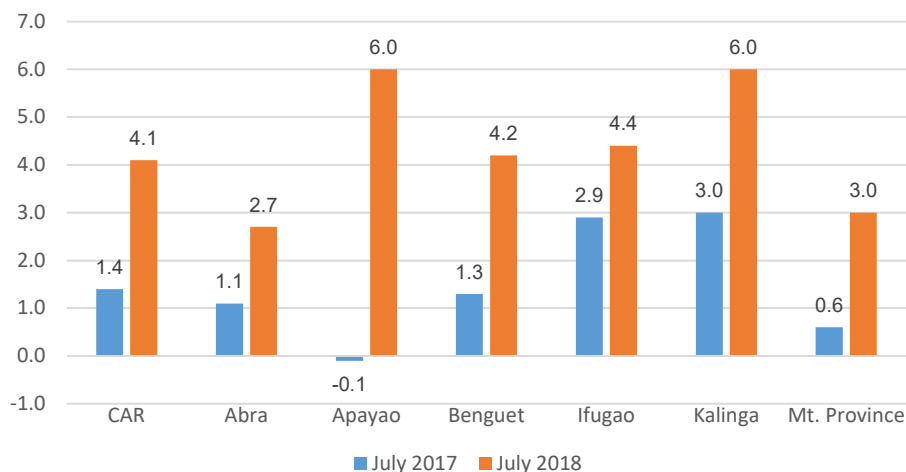
³ includes Miscellaneous Goods and Services

Source: Philippine Statistics Authority

Inflation Rate

- Average increase in prices of goods and services in the region accelerated to 4.1 percent in July 2018.
- Apayao and Kalinga posted the highest inflation rate both at 6.0 percent, followed by Ifugao at 4.4 percent.
- Inflation of all the provinces surpassed the July 2017 rates that had lower inflation rates in July 2018 relative to the same month last year.

**Figure 2. Year-on-Year Inflation Rates by Province, CAR:
July 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 4.6 percent from 4.3 percent in the previous month.
- Alcoholic Beverages & Tobacco had the highest inflation among other commodities in the region with 19.2 percent, followed by Transport with 6.5 percent.
- Meanwhile, inflation rates for Transport, and Communication were the same last month.

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

Commodity Group	Inflation Rates	
	June	July
All Items	3.9	4.1
Food and Non-Alcoholic Beverages	4.3	4.6
Alcoholic Beverages & Tobacco	16.3	19.2
Clothing and Footwear	2.6	3.3
Housing, Water, Electricity, Gas and Other Fuels	2.9	3.6
Furnishing, Household Equipment & Routine Maintenance of the House	2.3	1.9
Health	2.6	5.8
Transport	6.5	6.5
Communication	0.1	0.1
Recreation and Culture	0.3	0.8
Education	3.3	-1.3
Restaurants and Miscellaneous Goods and Services	2.5	2.4

Source: Philippine Statistics Authority

By Food Items, Year-on-Year

- Vegetables (17.1), Corn (10.5), and Meat (5.2) persisted to be the top three highest price increases.
- At the same time, Fruits incurred a negative inflation rate of 0.1 percent in July 2018.

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

Food Items	2018		2017		Inflation Rates	
	June	July	June	July	Previous	Current
Bread and Cereals	117.6	116.5	112.6	113.0	4.4	3.1
Rice	118.3	116.7	112.9	113.3	4.8	3.0
Corn	149.6	145.5	131.6	131.7	13.7	10.5
Other Cereals*	113.6	114.0	110.8	110.9	2.5	2.8
Meat	117.3	117.6	111.7	111.8	5.0	5.2
Fish	113.6	115.9	111.5	111.6	1.9	3.9
Milk, Cheese and Eggs	114.3	115.1	110.6	110.9	3.3	3.8
Oils and Fats	112.2	113.0	110.2	110.8	1.8	2.0
Fruits	132.5	130.0	131.0	130.1	1.1	-0.1
Vegetables	119.1	121.7	108.0	103.9	10.3	17.1
Sugar, Jam, Honey, Chocolate & Confectionery	110.7	111.0	108.3	107.9	2.2	2.9
Food Products, N.E.C.	108.5	107.8	106.0	105.6	2.4	2.1

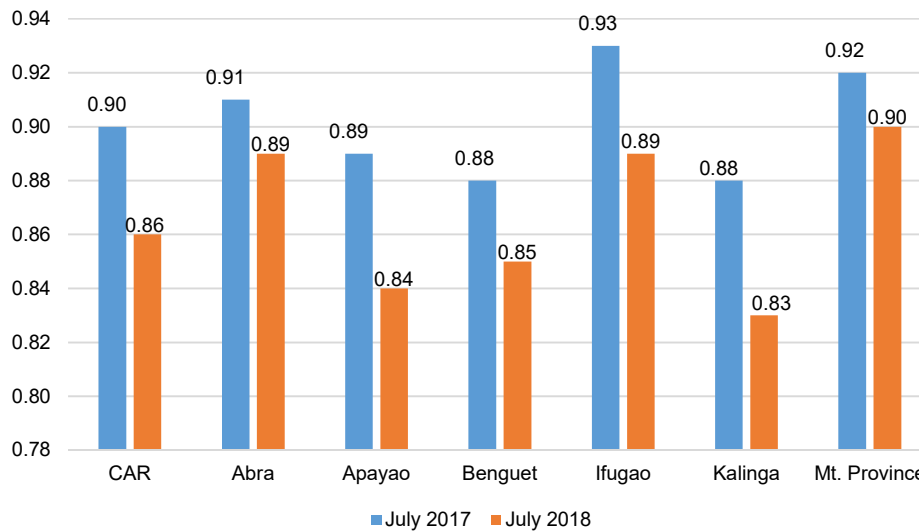
*Includes flour, cereal preparation, bread, pasta and other bakery products

Source: Philippine Statistics Authority

Purchasing Power of the Peso (PPP)

- The value of the peso in the region was 86 centavos in July 2018. This dropped by four centavos from 90 centavos in July 2017. This means that one peso in 2012 is worth 86 centavos in 2018.
- In other words, a basket of goods that can be bought 100 pesos in July 2012 is worth 116 pesos in July 2018.
- The PPP in all the provinces generally weakened in July 2018 as compared to July 2017.
- Mountain Province had the highest peso value at 90 centavos. Meanwhile, Kalinga had the lowest peso value at 83 centavos.

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



Source: Philippine Statistics Authority

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Regional Director

Technical Notes

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.
