



SPECIAL RELEASE

August 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 August 2018 was 116.7. This was higher by 4.6 index points from the 112.1 CPI of August 2017 using 2012 as the new base year.
- Rebasings 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:
August 2017 and 2018
(2012=100)**

Province	July		Index Point Change
	2017	2018	
CAR	112.1	116.7	4.6
Abra	109.6	113.1	3.5
Apayao	112.2	119.4	7.2
Benguet	113.9	118.3	4.4
Ifugao	109.0	113.1	4.1
Kalinga	113.5	120.5	7.0
Mt. Province	108.4	112.3	3.9

Source: Philippine Statistics Authority

- Among the CAR provinces, Kalinga posted the highest CPI for August 2018 at 120.5, followed by Apayao at 119.4, and Benguet at 118.3. Mountain Province posted the lowest CPI at 112.3.

- In terms of index point change, Kalinga incurred the highest increase at 7.0 index points, followed by Apayao with 7.2 index points increase.

CPI by Commodity Groups

- Among the commodity groups, Alcoholic Beverages and Tobacco had the highest CPI in the region at 204.3. The province of Apayao incurred the highest CPI on this commodity at 315.3, followed by Abra and Kalinga at 245.6, and 224.8, respectively.
- Education registered the second highest CPI among the commodity groups in the region for August 2018 at 121.8 index points. Among the provinces, Kalinga posted the highest index on education at 179.1, distantly 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 118.9 index points. Kalinga recorded the highest index on clothing and footwear at 120.8, followed by Ifugao and Benguet at 120.0, and 119.9 index points, respectively.
- Communication continued to have the lowest CPI among the commodity groups in the region with 101.3 index points. The province of Apayao incurred the highest index on communication with 103.9 index points, while Mountain Province had the lowest at 100.0 index points.

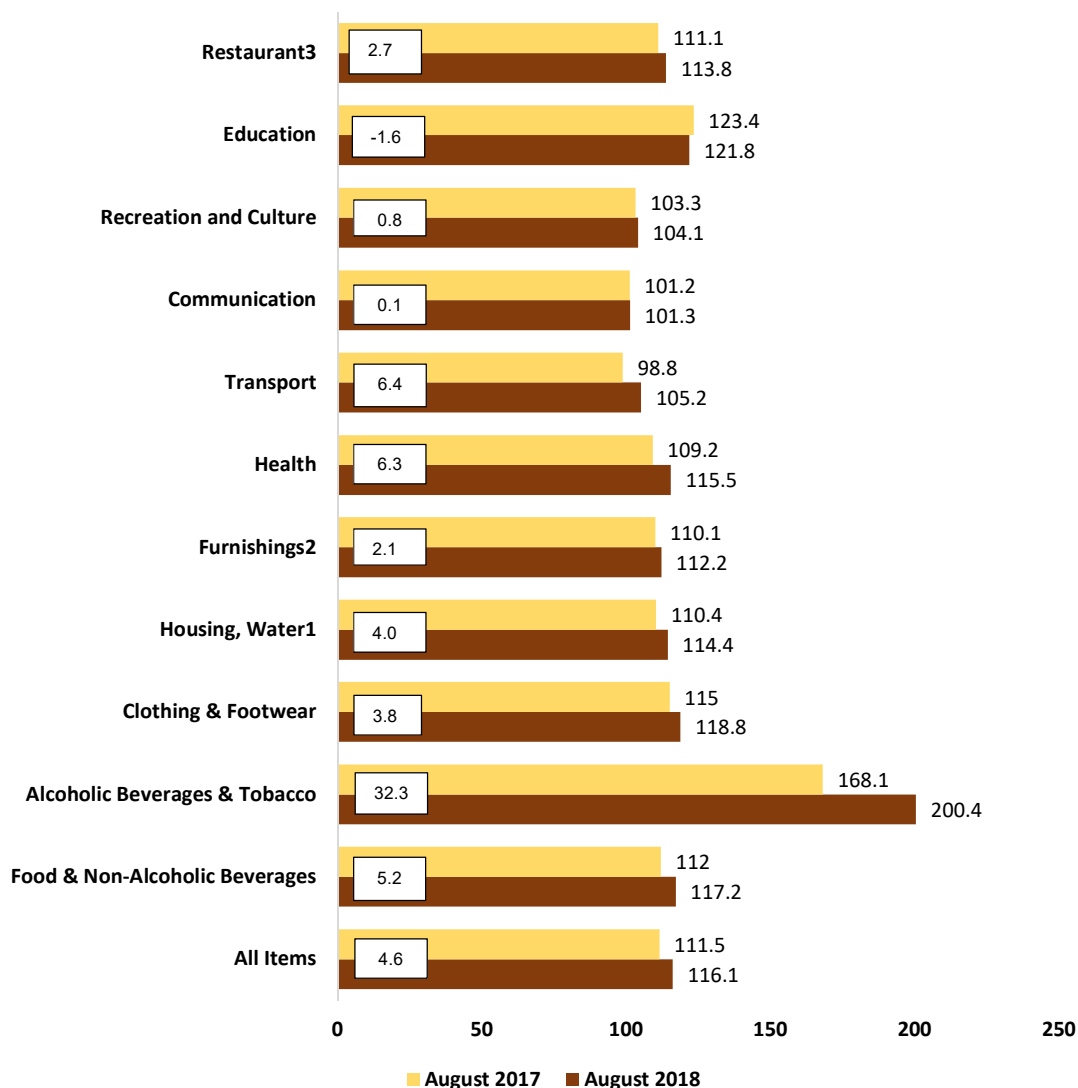
Table 2. Consumer Price Index by Commodity Group and by Province, CAR: August 2018 (2012=100)

Commodity Group	Region/Province						
	CAR	Abra	Apayao	Benguet	Ifugao	Kalinga	Mt. Province
All Items	116.7	113.1	119.4	118.3	113.1	120.5	112.3
Food and Non-Alcoholic Beverages	118.0	115.1	115.7	119.0	112.8	122.2	117.4
Alcoholic Beverages & Tobacco	204.3	245.6	315.3	191.3	180.0	224.8	165.0
Clothing and Footwear	118.9	115.6	113.5	119.9	120.0	120.8	118.8
Housing, Water, Electricity, Gas and Other Fuels	115.0	106.8	119.3	119.0	119.8	109.0	110.9
Furnishing, Household Equipment and Routine Maintenance of the House	112.1	110.7	116.2	111.4	111.8	121.6	108.5
Health	115.5	105.6	107.9	122.2	106.0	118.9	102.7
Transport	105.7	104.2	108.1	106.5	100.0	106.4	107.7
Communication	101.3	103.6	103.9	100.4	101.4	103.1	100.0
Recreation and Culture	105.5	108.9	117.0	102.7	108.1	113.3	104.2
Education	121.8	100.8	60.9	121.6	100.0	179.1	120.5
Restaurants and Miscellaneous Goods and Services	114.1	109.6	120.6	114.7	110.7	120.0	109.3

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: August 2017 and 2018 (2012=100)



Notes:

¹ includes Electricity, Gas & Other Fuels

² includes Household Equipment and Routine Maintenance of the House

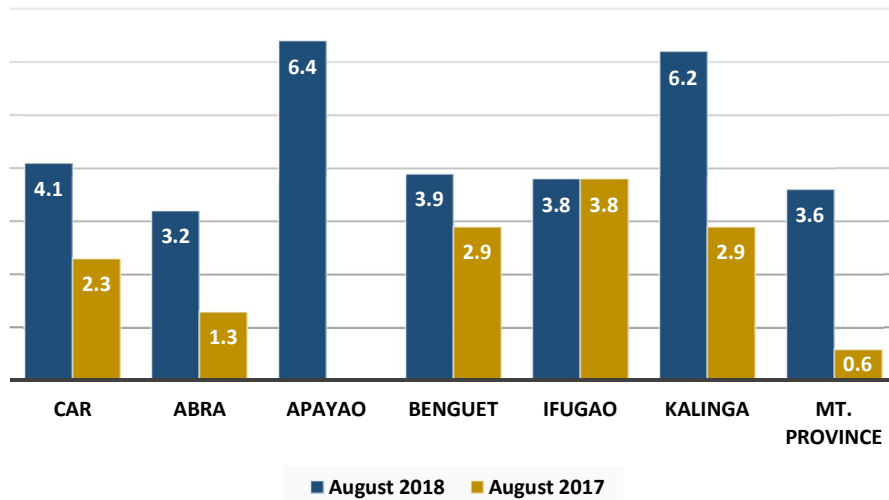
³ includes Miscellaneous Goods and Services

Source: Philippine Statistics Authority

Inflation Rate

- Average increase in prices of goods and services in the region accelerated from 2.3 percent in August 2017 to 4.1 percent in August 2018.
- Apayao posted the highest inflation rate at 6.4 percent, followed by Kalinga at 6.2 percent, and Benguet at 3.9 percent.
- Inflation rates of all the provinces in August 2018 surpassed the August 2017 inflation rates, except in Ifugao which had the same year-on-year inflation rate. Apayao posted the highest acceleration with 6.4 percentage points, followed by Kalinga with 3.3 percentage points, and Mt. Province with 3.0 percentage points.

Figure 2. Year-on-Year Inflation Rates by Province, CAR: August 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 decelerated to 4.3 percent from 4.6 percent of the previous month.
- Alcoholic Beverages & Tobacco had the highest inflation among other commodities in the region with 20.6 percent, followed by Transport with 6.3 percent.
- Education, having 2012=100 as base year, incurred a negative inflation rate at 1.3 percent.

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

Commodity Group	Inflation Rates	
	July	August
All Items	4.1	4.1
Food and Non-Alcoholic Beverages	4.6	4.3
Alcoholic Beverages & Tobacco	19.2	20.6
Clothing and Footwear	3.3	3.3
Housing, Water, Electricity, Gas and Other Fuels	3.6	4.0
Furnishing, Household Equipment & Routine Maintenance of the House	1.9	1.7
Health	5.8	5.7
Transport	6.5	6.3
Communication	0.1	0.1
Recreation and Culture	0.8	2.3
Education	-1.3	-1.3
Restaurants and Miscellaneous Goods and Services	2.4	2.2

Source: Philippine Statistics Authority

By Food Items, Year-on-Year

- Corn (17.3), vegetables (16.1), and Meat (5.0) persisted to be the top three highest price increases.
- At the same time, Fruits had the lowest inflation rate at 0.2 percent in August 2018.

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

Food Items	2018		2017		Inflation Rates	
	July	August	July	August	Previous	Current
Bread and Cereals	116.5	116.1	113.0	113.4	3.1	2.4
Rice	116.7	116.1	113.3	113.8	3.0	2.0
Corn	145.5	155.0	131.7	132.2	10.5	17.3
Other Cereals*	114.0	114.1	110.9	111.2	2.8	2.6
Meat	117.6	118.6	111.8	113.0	5.2	5.0
Fish	115.9	117.5	111.6	112.1	3.9	4.8
Milk, Cheese and Eggs	115.1	114.9	110.9	110.7	3.8	3.8
Oils and Fats	113.0	113.1	110.8	111.4	2.0	1.5
Fruits	130.0	131.4	130.1	131.2	-0.1	0.2
Vegetables	121.7	127.7	103.9	110.0	17.1	16.1
Sugar, Jam, Honey, Chocolate & Confectionery	111.0	112.4	107.9	107.9	2.9	4.2
Food Products, N.E.C.	107.8	107.4	105.6	105.6	2.1	1.7

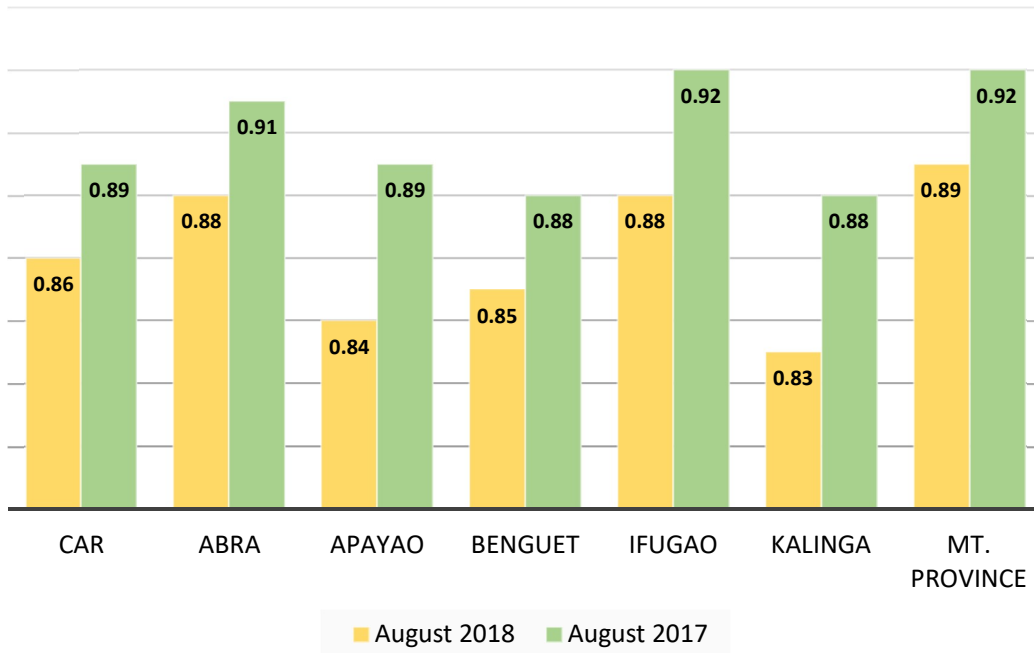
*Includes flour, cereal preparation, bread, pasta and other bakery products

Source: Philippine Statistics Authority

Purchasing Power of the Peso (PPP)

- The value of the peso in the region was 86 centavos in August 2018. It dropped by three centavos from 89 centavos in August 2017. This means that one peso in 2012 is worth 86 centavos in August 2018.
- In other words, a basket of goods that can be bought 100 pesos in August 2012 is worth 117 pesos in August 2018.
- The PPP in all the provinces generally weakened in August 2018 as compared to August 2017.
- Mountain Province had the highest peso value at 89 centavos. Meanwhile, Kalinga had the lowest peso value at 83 centavos.

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



Source: Philippine Statistics Authority

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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.
