



# SPECIAL RELEASE

## September 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 September 2018 was 117.9. This was higher by 5.6 index points from the 112.3 CPI of September 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:  
September 2017 and 2018  
(2012=100)**

Province	September		Index Point Change
	2017	2018	
<b>CAR</b>	<b>112.3</b>	<b>117.9</b>	<b>5.6</b>
Abra	110.1	115.4	5.3
Apayao	112.1	120.1	8.0
Benguet	114.0	119.6	5.6
Ifugao	109.2	113.6	4.4
Kalinga	113.5	122.5	9.0
Mt. Province	109.3	112.9	3.6

Source: Philippine Statistics Authority

- Among the CAR provinces, Kalinga posted the highest CPI for September 2018 at 122.5, followed by Apayao at 120.1, and Benguet at 119.6. Mountain Province posted the lowest CPI at 112.9

- In terms of index point change, Kalinga incurred the highest increase at 9.0 index points, followed by Apayao with 8.0 index points increase.

### CPI by Commodity Groups

- Among the commodity groups, Alcoholic Beverages and Tobacco had the highest CPI in the region at 207.3. The province of Apayao incurred the highest CPI on this commodity at 315.8, followed by Abra and Kalinga at 252.8, and 232.6, respectively.
- Education registered the second highest CPI among the commodity groups in the region for September 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.
- Food and Non-Alcoholic Beverages, the heavily-weighted commodity ranked third at 120.3 index points. Kalinga recorded the highest index at 124.7, followed by Benguet and Mt. Province at 121.3, and 120.3 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.

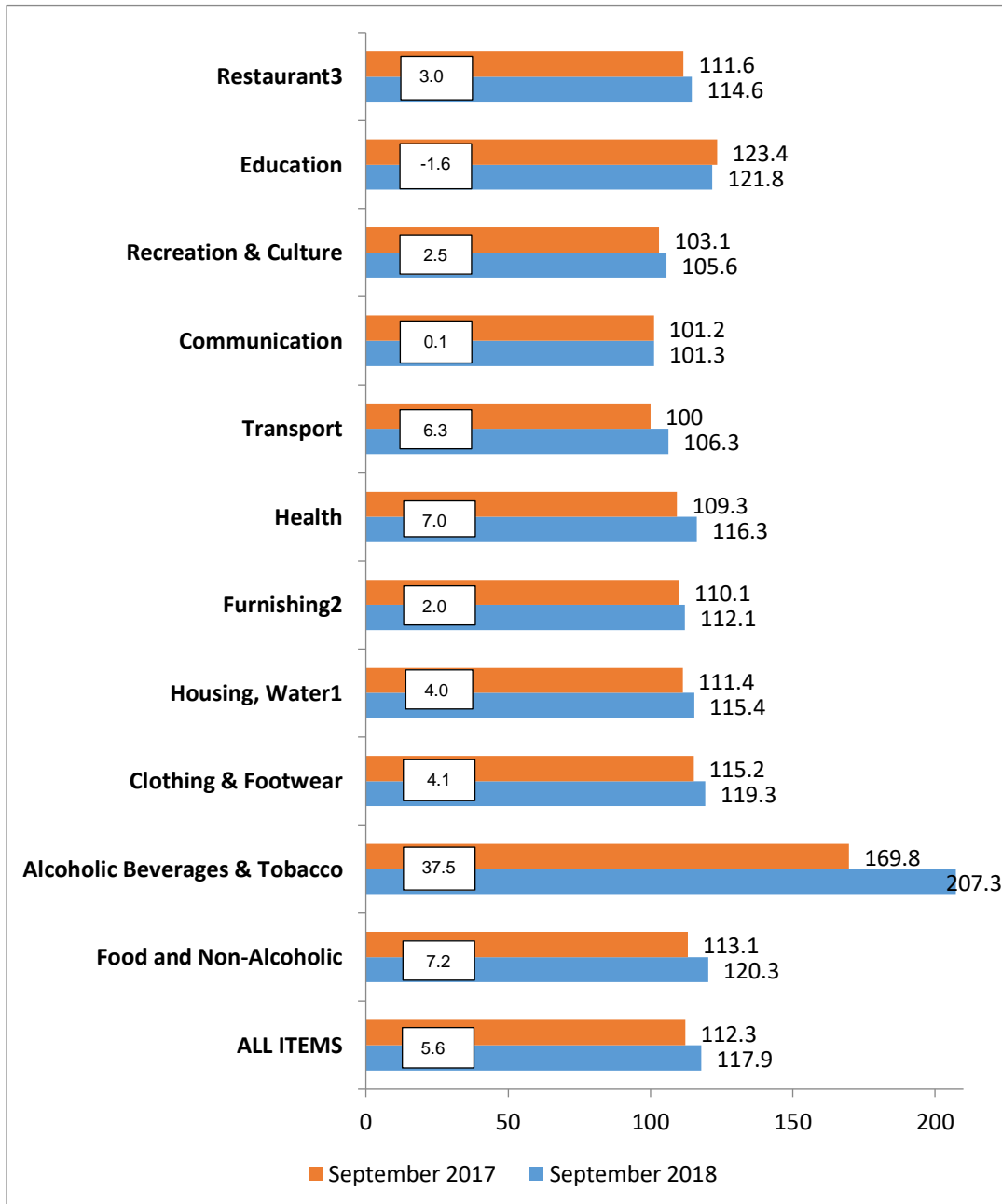
**Table 2. Consumer Price Index by Commodity Group and by Province, CAR: September 2018 (2012=100)**

Commodity Group	Region/Province						
	CAR	Abra	Apayao	Benguet	Ifugao	Kalinga	Mt. Province
<b>All Items</b>	<b>117.9</b>	<b>115.4</b>	<b>120.1</b>	<b>119.6</b>	<b>113.6</b>	<b>122.5</b>	<b>112.9</b>
Food and Non-Alcoholic Beverages	120.3	118.9	117.1	121.3	113.1	124.7	120.3
Alcoholic Beverages & Tobacco	207.3	252.8	315.8	193.6	182.7	232.6	165.0
Clothing and Footwear	119.3	116.0	114.0	120.6	120.1	121.2	118.3
Housing, Water, Electricity, Gas and Other Fuels	115.4	107.9	119.6	120.0	121.6	109.8	110.6
Furnishing, Household Equipment and Routine Maintenance of the House	112.1	111.1	116.5	111.1	112.4	123.3	108.5
Health	116.3	108.6	108.1	122.3	106.0	121.9	102.5
Transport	106.3	105.1	108.0	106.8	100.8	107.6	108.6
Communication	101.3	103.6	103.9	100.4	101.0	103.1	100.0
Recreation and Culture	105.6	109.0	118.1	103.1	106.1	113.4	103.8
Education	121.8	100.8	60.9	121.6	100.0	179.1	120.5
Restaurants and Miscellaneous Goods and Services	114.6	109.6	122.7	114.9	111.3	121.8	110.0

Source: Philippine Statistics Authority

- By index point change, Alcoholic Beverages and Tobacco recorded the highest increase by 37.5 points. Increases were also incurred in Food and Non-Alcoholic Beverages (7.2 points), Health (7.0 points) and Transport (6.3 points). The rest of the commodity groups reported minimal annual increases.

**Figure 1. Year-on-Year Consumer Price Index by Commodity Group, CAR: September 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

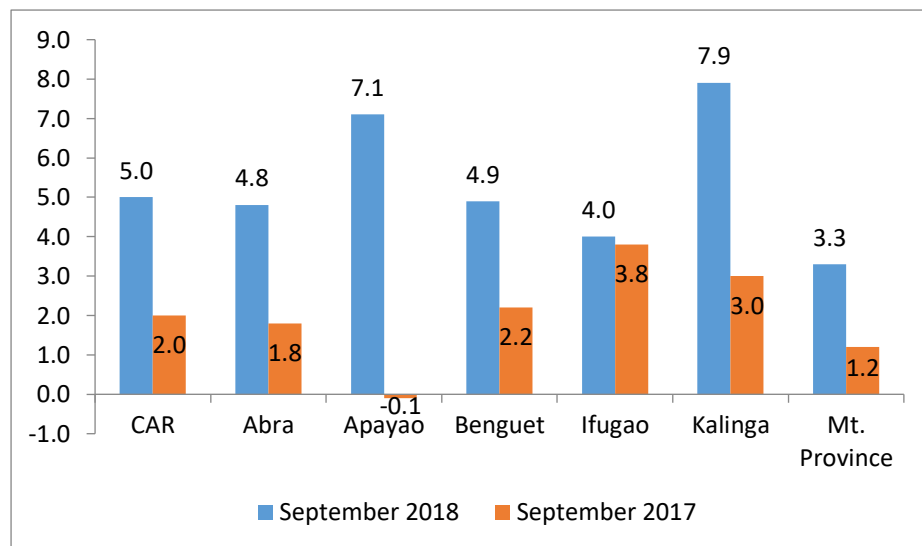
<sup>3</sup>includes Miscellaneous Goods and Services

Source: Philippine Statistics Authority

## Inflation Rate

- Average increase in prices of goods and services in the region accelerated from 2.0 percent in September 2017 to 5.0 percent in September 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 September 2018 surpassed the September 2017 inflation rates. Apayao posted the highest acceleration with 7.2 percentage points, followed by Kalinga with 4.9 percentage points, and Abra with 3.0 percentage points.

**Figure 2. Year-on-Year Inflation Rates by Province, CAR: September 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 6.4 percent from 4.3 percent of the previous month.
- Alcoholic Beverages and Tobacco had the highest inflation among other commodities in the region with 22.1 percent, followed by Health with 6.4 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: August and September 2018 (2012=100)**

Commodity Group	Inflation Rates	
	August	September
<b>All Items</b>	<b>4.1</b>	<b>5.0</b>
Food and Non-Alcoholic Beverages	4.3	6.4
Alcoholic Beverages & Tobacco	20.6	22.1
Clothing and Footwear	3.3	3.6
Housing, Water, Electricity, Gas and Other Fuels	4.0	3.6
Furnishing, Household Equipment & Routine Maintenance of the House	1.7	1.8
Health	5.7	6.4
Transport	6.3	6.3
Communication	0.1	0.1
Recreation and Culture	2.1 r	2.4
Education	-1.3	-1.3
Restaurants and Miscellaneous Goods and Services	2.2	2.7

Source: Philippine Statistics Authority

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

- Vegetable (27.3), Corn (21.3), and Fish (16.1) persisted to be the top three highest price increases.
- On the other hand, Oils and Fats had the lowest inflation rate at 0.2 percent in September 2018.

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

Food Items	2018		2017		Inflation Rates	
	August	September	August	September	Previous	Current
Bread and Cereals	116.1	118.2	113.4	113.6	2.4	4.1
Rice	116.1	118.6	113.8	113.8	2.0	4.2
Corn	155.0	160.4	132.2	132.3	17.3	21.3
Other Cereals*	114.1	114.3	111.2	111.4	2.6	2.6
Meat	118.6	118.4	113.0	112.9	5.0	4.9
Fish	117.5	119.2	112.1	111.6	4.8	6.8
Milk, Cheese and Eggs	114.9	115.4	110.7	110.8	3.8	4.2
Oils and Fats	113.1	113.1	111.4	111.4	1.5	1.5
Fruits	131.4	133.1	131.2	129.6	0.2	2.7
Vegetables	127.7	142.4	110.0	111.9	16.1	27.3
Sugar, Jam, Honey, Chocolate & Confectionery	112.4	112.1	107.9	108.0	4.2	3.8
Food Products, N.E.C.	107.4	107.9	105.6	105.2	1.7	2.6

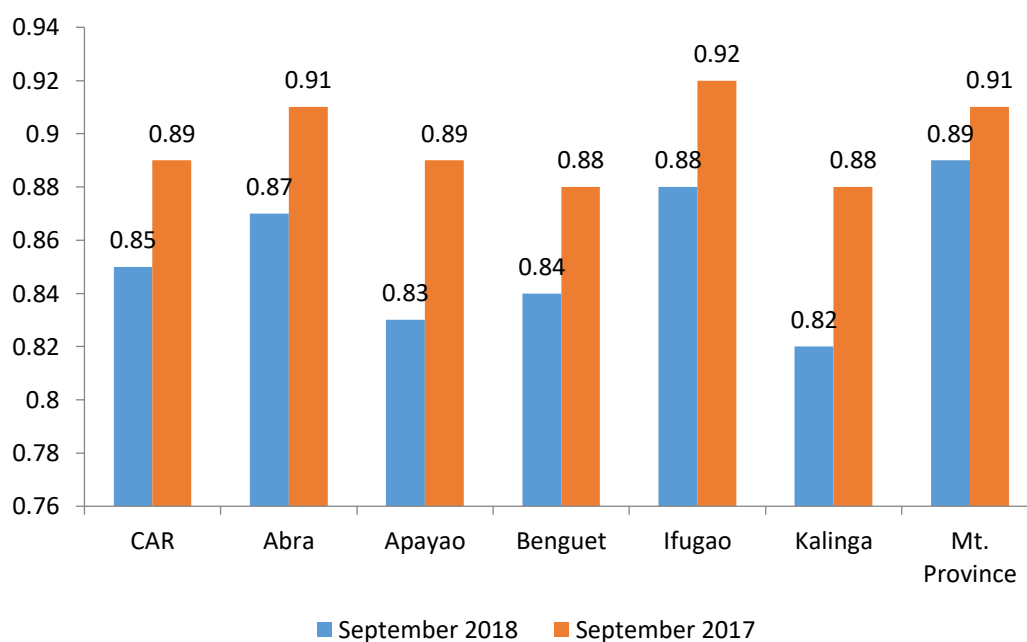
\*Includes flour, cereal preparation, bread, pasta and other bakery products

Source: Philippine Statistics Authority

### Purchasing Power of the Peso (PPP)

- The value of the peso in the region was 85 centavos in September 2018. It dropped by four centavos from 89 centavos in September 2017. This means that one peso in 2012 is worth 85 centavos in September 2018.
- In other words, a basket of goods that can be bought 100 pesos in September 2012 is worth 118 pesos in September 2018.
- The PPP in all the provinces generally weakened in September 2018 as compared to the same month of the previous year.
- Mountain Province had the highest peso value at 89 centavos. Meanwhile, Kalinga had the lowest peso value at 82 centavos.

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



Source: Philippine Statistics Authority

**VILLAFE P. ALIBUYOG**  
Regional Director

<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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