SPECIAL RELEASE

November 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 November 2018 was 118.0. This was higher by 5.1 index points from the 112.9 CPI of November 2017 using 2012 as 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.
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Table 1. Consumer Price Index by Province, CAR:
November 2017 and 2018
(2012=100)

Province	November		Index Point Change
	2017	2018	
CAR	**112.9**	**118.0**	**5.1**
Abra	110.6	115.6	5.0
Apayao	112.9	121.9	9.0
Benguet	115.0	118.6	3.6
Ifugao	109.4	117.1	7.7
Kalinga	113.7	124.0	10.3
Mt. Province	108.5	113.0	4.5

Source: Philippine Statistics Authority

- Among the CAR provinces, Kalinga posted the highest CPI for November 2018 with 124.0, followed by Apayao with 121.9, and Benguet with 118.6. Mountain Province posted the lowest CPI with 113.0.

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- In terms of index point change, Kalinga incurred the highest increase with 10.3 index points, followed by Apayao with 9.0 index points increase.

CPI by Commodity Groups

- Among the commodity groups, Alcoholic Beverages and Tobacco had the highest CPI in the region with 209.0. The province of Apayao incurred the highest CPI on this commodity with 316.5, followed by Abra and Kalinga with 253.2, and 240.2, respectively.

- Education registered the second highest CPI among the commodity groups in the region for October 2018 with 121.8 index points. Among the provinces, Kalinga posted the highest index on education with 179.1, distantly followed by Benguet and Mountain Province with 121.6 and 120.5, respectively. Apayao had the lowest with 60.9.

- Clothing and Footwear ranked third with 120.7 index points. Kalinga recorded the highest CPI on this commodity with 124.2 index points, followed by Ifugao and Benguet with index points of 123.3 and 121.6, respectively.

- Food and Non-Alcoholic Beverages, the heavily-weighted commodity ranked fourth with 119.4 index points. Kalinga recorded the highest index with 126.2, followed by Apayao and Mt. Province with 122.2 and 121.2 index points, respectively.

- Communication continued to have the lowest CPI among the commodity groups in the region with 101.4 index points. The province of Apayao incurred the highest index on communication with 105.5 index points, while Mountain Province had the lowest with 100.1 index points.

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

Commodity Group	Region/Province						
	CAR	Abra	Apayao	Benguet	Ifugao	Kalinga	Mt. Province
All Items	**118.0**	**115.6**	**121.9**	**118.6**	**117.1**	**124.0**	**113.0**
Food and Non-Alcoholic Beverages	119.4	117.9	122.2	118.4	116.0	126.2	121.2
Alcoholic Beverages & Tobacco	209.0	253.2	316.5	193.9	190.8	240.2	165.0
Clothing and Footwear	120.7	117.0	114.4	121.6	123.3	124.2	118.5
Housing, Water, Electricity, Gas and Other Fuels	115.6	109.3	119.5	120.6	122.3	110.4	110.2
Furnishing, Household Equipment and Routine Maintenance of the House	112.7	111.1	116.9	111.6	112.3	127.2	108.6
Health	118.9	109.1	108.9	124.1	123.5	123.0	102.5
Transport	107.7	109.3	110.4	106.6	106.7	106.4	110.7
Communication	101.4	103.8	105.5	100.4	101.0	103.1	100.1
Recreation and Culture	106.9	109.9	120.2	104.6	106.3	115.7	103.9
Education	121.8	100.8	60.9	121.6	100.0	179.1	120.5
Restaurants and Miscellaneous Goods and Services	115.4	109.6	122.7	115.1	114.0	125.2	111.2

Source: Philippine Statistics Authority

- By index point change, Alcoholic Beverages and Tobacco recorded the highest increase by 37.6 points. Increases were also incurred in Health (9.5 points), Transport (6.9 points), and Food and Non-Alcoholic Beverages (5.3 points). The rest of the commodity groups reported minimal annual increases.

Figure 1. Year-on-Year Consumer Price Index by Commodity Group, CAR: November 2017 and 2018 (2012=100)
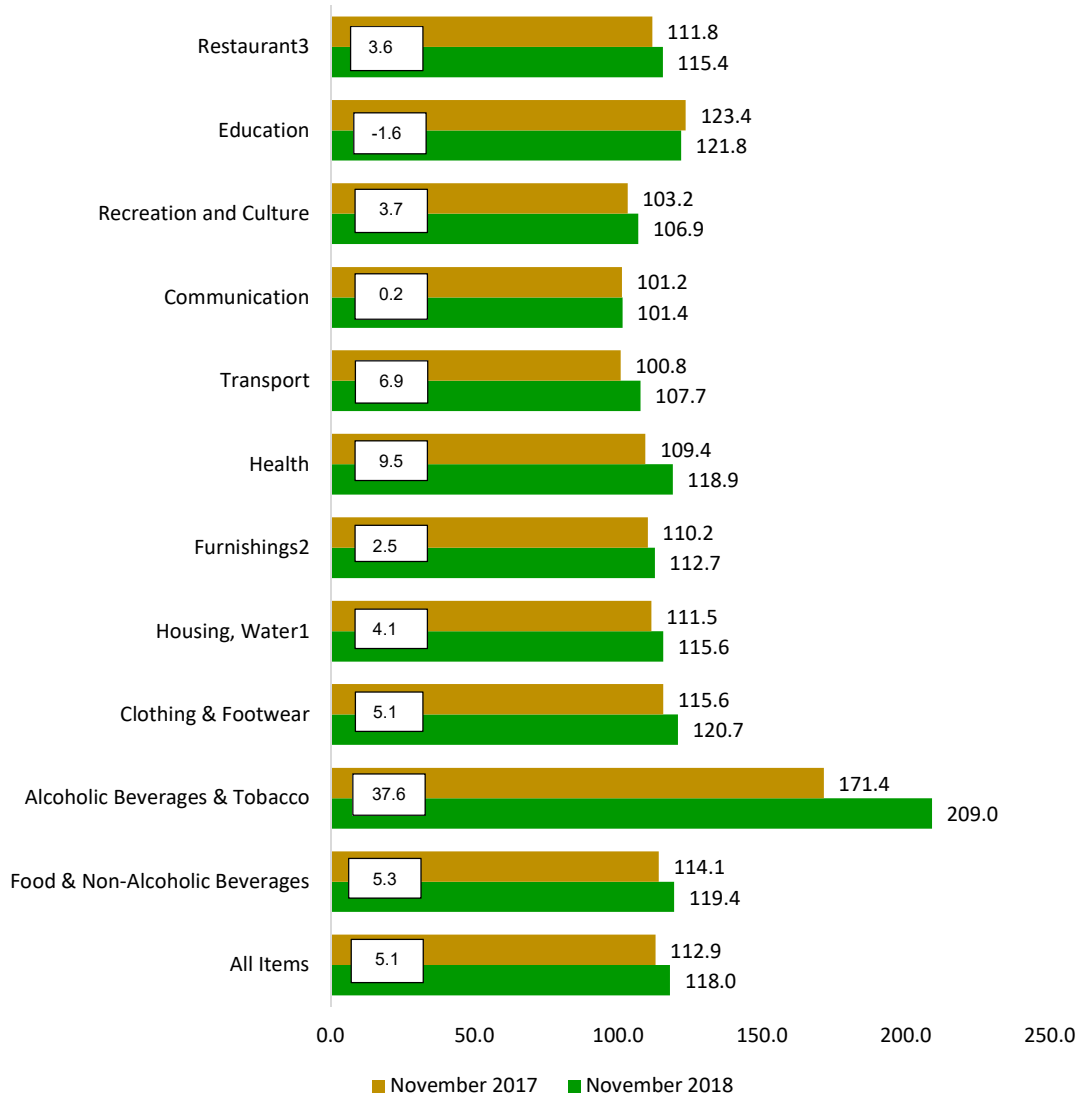
Notes:
[1]includes Electricity, Gas & Other Fuels
[2] includes Household Equipment and Routine Maintenance of the House
[3] includes Miscellaneous Goods and Services
Source: Philippine Statistics Authority

Inflation Rate

- Average increase in prices of goods and services in the region accelerated from 1.4 percent in November 2017 to 4.5 percent in November 2018.

- Kalinga posted the highest inflation rate at 9.1 percent, followed by Apayao at 8.0 percent, and Ifugao at 7.0 percent.

- Inflation rates of all the provinces in November 2018 surpassed the November 2017 inflation rates. Kalinga posted the highest acceleration with 8.5 percentage points, followed by Apayao with 7.7 percentage points, and Ifugao with 4.5 percentage points.

**Figure 2. Year-on-Year Inflation Rates by Province, CAR:
November 2017 and 2018 (2012=100)**
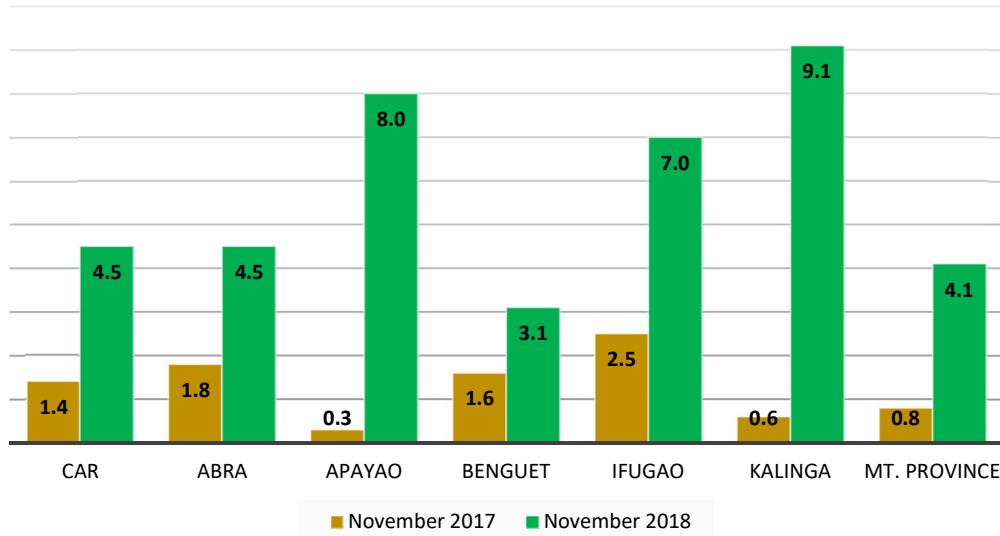
Source: Philippine Statistics Authority

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 from 6.4 of October 2018 to 4.6 of November 2018.

- Alcoholic Beverages and Tobacco had the highest inflation among other commodities in the region with 21.9 percent, followed by Health with 8.7 percent.

- Education, having 2012=100 as base year, incurred a negative inflation rate with 1.3 percent.

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

Commodity Group	Inflation Rates	
	October	November
All Items	**5.2**	**4.5**
Food and Non-Alcoholic Beverages	6.4	4.6
Alcoholic Beverages & Tobacco	21.6	21.9
Clothing and Footwear	3.6	4.4
Housing, Water, Electricity, Gas and Other Fuels	4.3	3.7
Furnishing, Household Equipment & Routine Maintenance of the House	1.9	2.3
Health	7.3	8.7
Transport	7.2	6.8
Communication	0.1	0.2
Recreation and Culture	3.0	3.6
Education	-1.3	-1.3
Restaurants and Miscellaneous Goods and Services	2.9	3.2

Source: Philippine Statistics Authority

By Food Items, Year-on-Year

- Corn (22.2), Vegetables (11.1), and Fish (7.3) persisted to be the top three highest price increases.

- On the other hand, Bread and Cereals had the lowest inflation rate at 2.1 percent in November 2018.

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

| Food Items	2017		2018		Inflation Rates	
	October	November	October	November	Previous	Current
Bread and Cereals	113.5	113.5	118.7	115.9	4.6	2.1
Rice	113.7	113.6	119.1	115.2	4.7	1.4
Corn	132.3	132.8	162	162.3	22.5	22.2
Other Cereals*	111.5	112.1	115.1	115.2	3.2	2.8
Meat	112.8	112.9	119.7	119.8	6.1	6.1
Fish	112.4	112.8	119.8	121.0	6.6	7.3
Milk, Cheese and Eggs	111.0	111.5	115.7	116.5	4.2	4.5
Oils and Fats	111.4	111.3	114	114.8	2.3	3.1
Fruits	130.0	129.2	134.7	135.1	3.6	4.6
Vegetables	116.5	120.4	141.9	133.8	21.8	11.1
Sugar, Jam, Honey, Chocolate & Confectionery	107.7	107.5	112.4	113.7	4.4	5.8
Food Products, N.E.C.	104.3	105.4	107.6	108.2	3.2	2.7

*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 85 centavos in November 2018. It dropped by four centavos from 89 centavos in November 2017. This means that one peso in 2012 is worth 85 centavos in November 2018.

- In other words, a basket of goods that can be bought with 100 pesos in November 2012 is worth 118.0 pesos in November 2018.

- The PPP in all the provinces generally weakened in November 2018 compared to the same month of the previous year.

- Mountain Province had the highest peso value at 88 centavos. Meanwhile, Kalinga had the lowest peso value at 81 centavos.

**Figure 3. Purchasing Power of the Peso by Province, CAR:
November 2017 and 2018
(2012=100)**
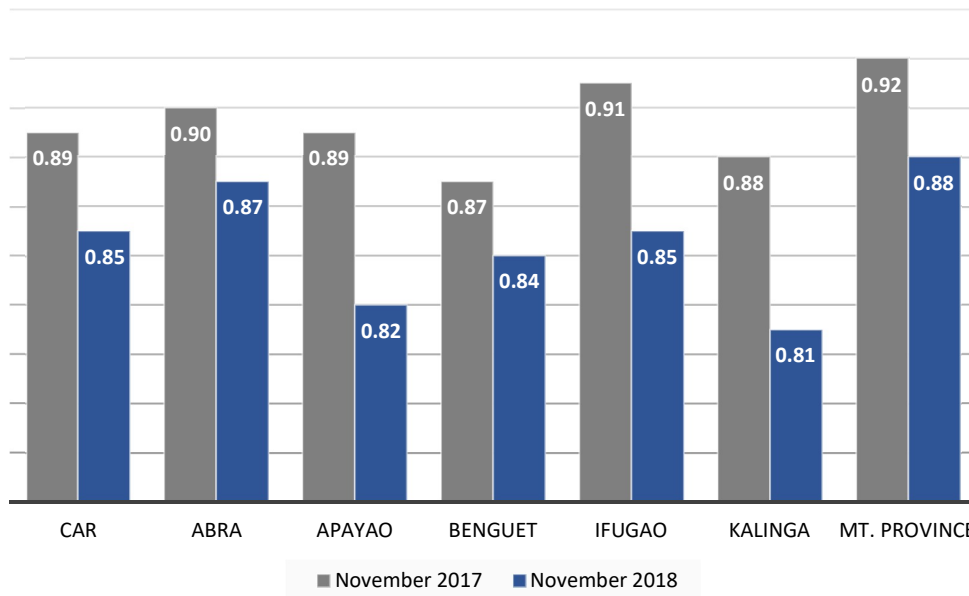
Source: Philippine Statistics Authority

VILLAFE P. ALIBUYOG
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.