



# SPECIAL RELEASE

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## IFUGAO CONSUMER PRICE INDEX AS OF SEPTEMBER 2020

### Ifugao CPI at 121.0 in September 2020



Survey of Retail Prices of Commodities conducted by Philippine Statistics Authority (PSA) has generated a Consumer Price Index (CPI) of 121.0 for Ifugao as of September 2020, using 2012 as the base year. This indicates that the average cost of a basket of goods and services commonly purchased by a typical Filipino household in the different municipalities of Ifugao increased during the reference month. This is 0.30 index points compared in August 2020 with CPI = 120.7 and 3.50 index points higher a year ago.

**Table 1. Monthly Consumer Price Index for All Income Households by Commodity Group, Ifugao: September 2020 - August 2020 (2012 = 100)**

Commodity Group	September 2020	September 2019	August 2020	August 2019
All Items	<b>121.0</b>	117.5	<b>120.7</b>	117.7
Food and Non Alcoholic Beverages	<b>117.7</b>	114.3	<b>117.4</b>	114.7
Alcoholic Beverages and Tobacco	<b>253.3</b>	216.4	<b>249.2</b>	216.4
Clothing and Footwear	<b>133.8</b>	128.0	<b>133.7</b>	128.0
Housing, Water, Electricity, Gas, and Other Fuels	<b>126.0</b>	124.2	<b>126.1</b>	124.3
Furnishing, Household Equipment and Routine Maintenance of the House	<b>115.1</b>	113.0	<b>115.1</b>	113.0
Health	<b>133.9</b>	128.3	<b>133.3</b>	127.5
Transport	<b>104.4</b>	105.0	<b>104.0</b>	105.1
Communication	<b>101.4</b>	101.0	<b>101.4</b>	101.0
Recreation and Culture	<b>109.8</b>	108.0	<b>109.6</b>	107.7
Education	<b>108.7</b>	107.1	<b>107.1</b>	107.1
Restaurant and Miscellaneous Goods and Services	<b>119.2</b>	115.8	<b>119.2</b>	115.8

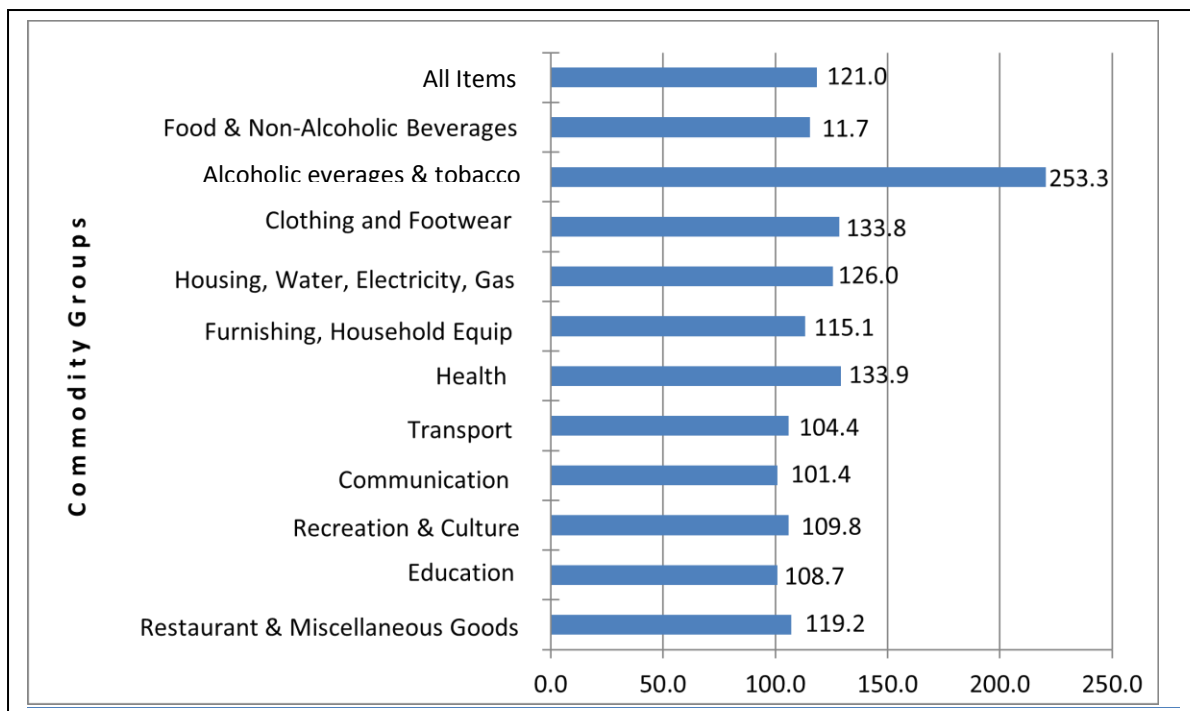
Source of data: Philippine Statistics Authority

Figure 1 shows that commodity under the groups of the Alcoholic beverages and tobacco, Health, Clothing & footwear, and Housing, water, electricity, gas and other fuel had the highest corresponding CPI's of 253.3, 133.9, 133.8 and 126.0 in September 2020, respectively. These four commodity groups have CPI's higher than the total average CPI of all items in the province.



On the other hand, Education and Communication with CPI's 108.7 and 101.4, respectively, had no significant changes across the months. These mean that price of Communication did not moved from the past month and cost of Education in the province slightly increased from the base year.

**Figure 1. Consumer Price Index for All Income Households in Ifugao: September 2020 (2012=100)**



Source of data: Philippine Statistics Authority

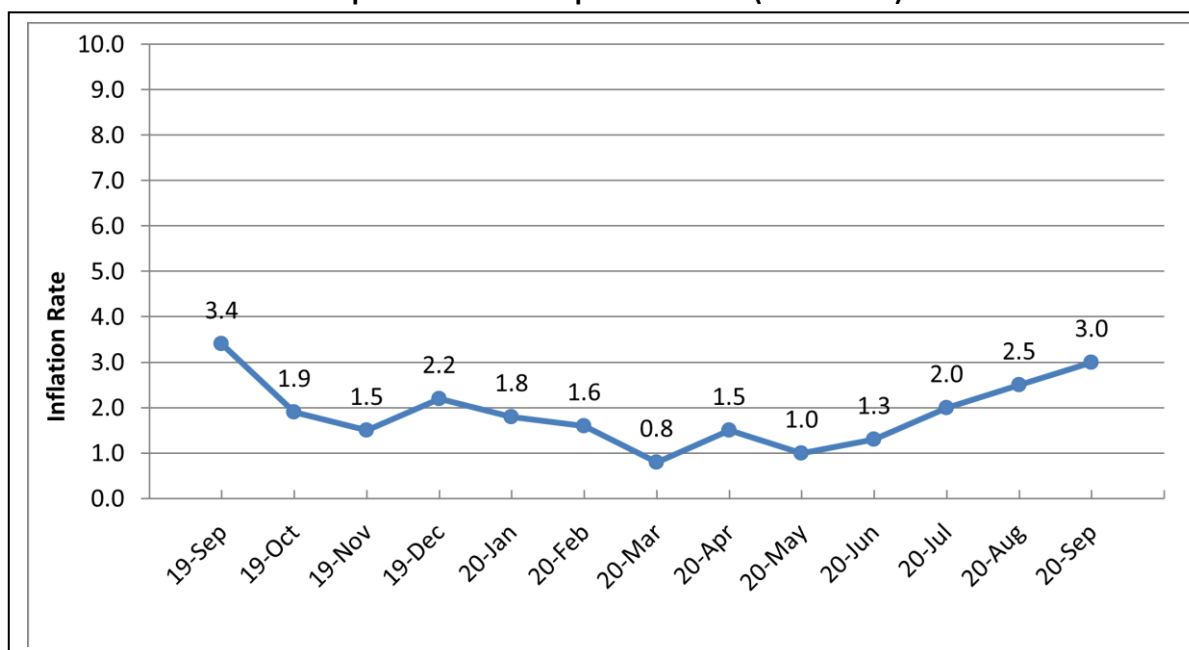
## INFLATION RATE



The average headline Inflation Rate (IR) in Ifugao decelerated to 3.0 percent as of September 2020 as compared to the same period in the previous year. This was realized because of the stability of goods and services commonly purchased by the Filipino households in the province for the past months.

As shown in Figure 2, the trend has been decreasing and the result for September 2020 posted 0.5 index points increased from the previous month.

**Figure 2. Year-on-Year Headline Inflation Rate, All Items by Commodity Group, Ifugao, September 2019 - September 2020 (2012 = 100)**



Source of data: Philippine Statistics Authority

As shown in Table 2, Alcoholic beverages and tobacco (1.6 percent) was the commodity group that posted the higher growth rates in September 2020. On the other hand, Alcoholic beverages and tobacco had the most rapidly changing average price between the month of September 2020 and August 2020 with an increased of 1.6 percentage points.

**Table 2. Month-on- Month Headline Inflation Rate, All items by Commodity Group, Ifugao: September 2020 - August 2020 (2012=100)**

Commodity Group	September 2020	August 2020
<b>All Items</b>	0.2	-0.2
Food and non - alcoholic beverages	0.3	-0.3
Alcoholic beverages and tobacco	1.6	0.0
Clothing and footwear	0.1	0.0
Housing, water, electricity, gas and other fuels	-0.1	-0.1
Furnishing, household equipment and routine maintenance of the house	0.0	0.0
Health	0.4	0.6
Transport	0.4	-0.1
Communication	0.0	0.0
Recreation and culture	0.2	0.3
Education	1.5	0.0
Restaurant and miscellaneous goods and services	0.0	0.0

Source of data: Philippine Statistics Authority

As shown in table 3, Cordillera Administrative Region generated a Consumer Price Index of 121.2 as of July 2020 for all income households in the region. Kalinga recorded the highest CPI for all items commonly purchased by a household in CAR with 126.6, trailed behind is Apayao (123.5) and Benguet (121.3) while Mountain Province had the least among the six provinces in the region with 118.4 index points.

**Table 3. Monthly Consumer Price Index for All Income Households by Commodity Group, CAR: September - 2020 (2012 = 100)**

Commodity Group	CAR	Abra	Benguet	Ifugao	Kalinga	Mt Province	Apayao
<b>All Items</b>	<b>121.3</b>	<b>120.0</b>	<b>121.1</b>	<b>121.0</b>	<b>126.5</b>	<b>119.3</b>	<b>123.6</b>
Food and non - alcoholic beverages	121.8	118.4	120.8	117.7	127.0	119.7	119.1
Alcoholic beverages and tobacco	245.8	341.2	202.3	253.3	313.1	210.5	422.3
Clothing and footwear	129.2	123.9	128.7	133.8	138.3	129.1	124.2
Housing, water, electricity, gas and other fuels	119.0	110.0	121.0	126.0	105.6	118.3	120.1
Furnishing, household equipment and routine maintenance of the house	116.5	116.5	113.5	115.1	139.6	120.6	122.6
Health	124.0	113.4	128.6	133.9	130.5	104.0	115.6
Transport	104.6	108.2	104.4	104.4	99.6	107.2	101.3
Communication	102.2	105.0	101.7	101.4	104.8	98.0	104.9
Recreation and culture	109.9	115.6	105.0	109.8	126.0	107.5	135.0
Education	128.9	108.0	128.5	108.7	193.9	129.4	75.5
Restaurant and miscellaneous goods and services	123.6	125.3	118.9	119.2	130.2	140.4	133.4

Source of data: Philippine Statistics Authority

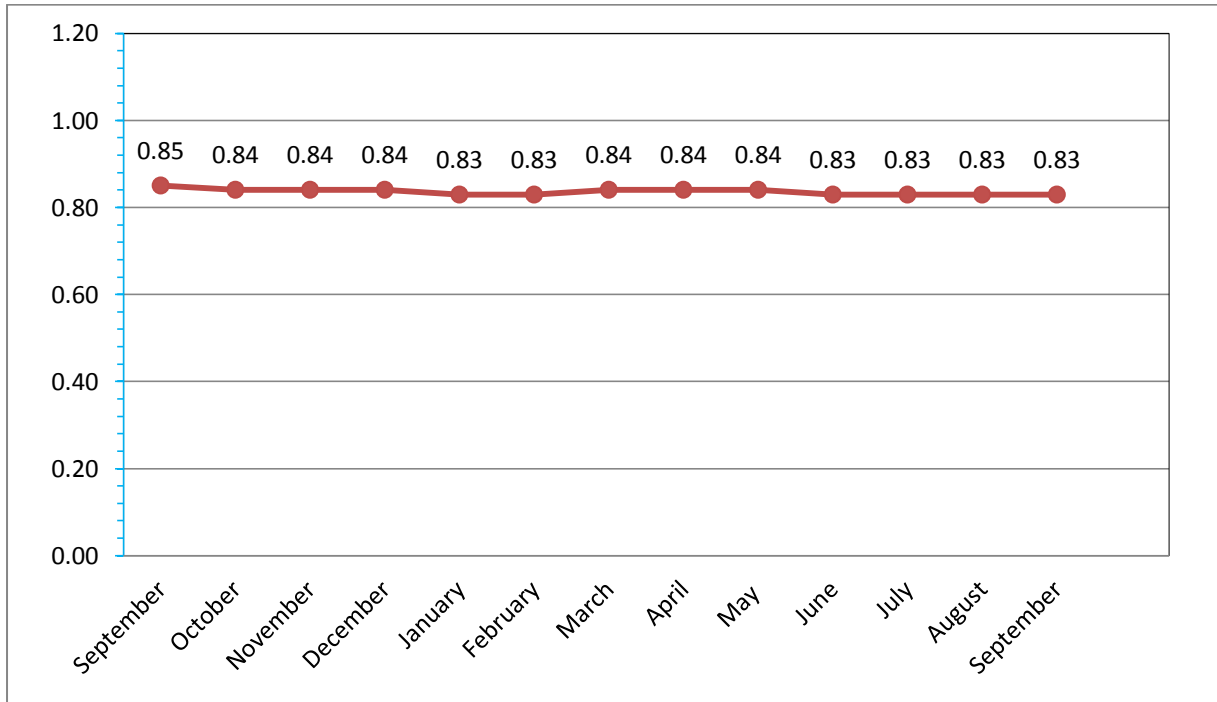
### PURCHASING POWER OF PESO (PPP)



Purchasing Power of the Peso (PPP) is inversely related to inflation rate. Thus, as the inflation rate increases, PPP declines. The average PPP in Ifugao in 2019 is at 0.85. This implies that Php 1.00 in 2012, as the base year, values only Php 0.85 in 2019.

As a result of the price changes reflected in the CPI, the provincial Purchasing Power of the Peso remained at 0.83 as shown in figure 3.

**Figure 3. Monthly Purchasing Power of Peso in Ifugao:  
September 2019 – September 2020 (2012=100)**



Source of data: Philippine Statistics Authority

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## TECHNICAL NOTES:

### Consumer Price Index (CPI)

The CPI is an indicator of the changes in the average retail prices of a fixed basket of goods and services that most people buy for their day to day consumption relative to a base year.

#### Uses of CPI

The CPI is most widely used to calculate inflation rate and the purchasing power of peso. It is a major statistical series used for economic analysis and as monitoring indicator of government economic policy. It is also used to adjust other economic series for price changes. For example, CPI components are used as deflators for most personal consumption expenditures (PCE) in the calculation in the gross national product (GNP). Another major importance of the CPI is its use as basis to adjust wages in labor management contracts as well as pensions and retirement benefits. Increases in wages through collective bargaining agreements used the CPI as one of their bases.

#### Computation of the CPI

The computation of the CPI involves consideration of the following important points:

##### a. Based Period.

The reference date or period is the benchmark or reference date or period at which the index is taken as equal to 100.

##### b. Market Basket

A sample of the thousands of varieties of goods purchased for consumption and services availed by the households in the country was selected to represent the composite price behavior of all goods and services purchased by consumers.

##### c. Weighting System

The weighting pattern uses the expenditures on various consumer item purchased by households as proportion to total expenditure.

### d. Formula

The formula used in computing the CPI is the weighted arithmetic mean of price relatives, the Laspeyre's formula with a fixed base year period (2012) weights.

### e. Geographic Coverage

CPI values are computed at the national, regional, and provincial levels, and for selected cities.

### Inflation Rate (IR)

The Inflation Rate is the rate of change or the year-on-year change of the CPI. Inflation is interpreted in terms of declining purchasing power of peso.

#### a. Headline Inflation

Headline inflation refers to the rate of change in CPI. It captures the changes in the cost of living based on the movements of prices of items in the basket of commodities and services consumed by the typical Filipino households.

#### b. Core Inflation

Core inflation measures the change in average consumer prices after excluding from the CPI certain items with volatile price movements. By stripping out the volatile components of the CPI, core inflation allows us to see the broad underlying trend in consumer prices. Core inflation is often used as an indicator of the long-term inflation trend and as indicator of future inflation. It is usually affected by the amount of money in the economy relative to production, or by monetary policy.

### Purchasing Power of the Peso (PPP)

The purchasing power of the peso (PPP) shows how much peso in the base period is worth in the current period. It is computed as the reciprocal of the CPI for the period under review multiplied by 100.

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