



# SPECIAL RELEASE

**Date of Release:** 1 March 2022

**Reference No. :** SR-2022-004

## JANUARY 2022 IFUGAO PRICE SITUATION

### Ifugao CPI at 113.7



#### Market Basket

# 113.7

In the based year 2018=100, there was an increase of 13.7 index points in the average retail price by a fixed basket of goods and services commonly purchased by the households.

Survey of Retail Prices of Commodities conducted by Philippine Statistics Authority (PSA) has generated a Consumer Price Index (CPI) of 113.7 in Ifugao as of January 2022, using 2018 as the base year. This indicates that the average cost of a basket of goods and services commonly purchased by a typical Filipino households in the different municipalities of Ifugao increased during the reference month. This is 0.7 index points compared in December 2021 with CPI=113.0 and 5.0 index points higher a year ago.

**Table 1. Monthly Consumer Price Index for All Income Households by Commodity Group,**  
Ifugao: January 2022 - December 2021 (2018=100)

Commodity Group	January 2022	January 2021	December 2021	December 2020
All Items	<b>113.7</b>	108.7	<b>113.0</b>	108.9
Food and non-alcoholic beverages	<b>112.7</b>	109.5	<b>111.1</b>	110.6
Alcoholic beverages and tobacco	<b>122.1</b>	119.3	<b>121.7</b>	120.2
Clothing and footwear	<b>117.4</b>	113.1	<b>116.8</b>	113.1
Housing, water, electricity, gas, and other fuels	<b>115.0</b>	107.9	<b>116.4</b>	106.4
Furnishing, household equipment and routine maintenance of the house	<b>108.1</b>	104.8	<b>107.7</b>	105.1
Health	<b>117.1</b>	114.9	<b>116.8</b>	115.1
Transport	<b>116.4</b>	104.8	<b>115.2</b>	104.2
Communication	<b>100.0</b>	100.0	<b>100.0</b>	100.0
Recreation and culture	<b>114.2</b>	112.6	<b>113.8</b>	112.7
Education	<b>107.1</b>	107.1	<b>107.1</b>	107.1
Restaurant and miscellaneous goods and services	<b>123.1</b>	106.8	<b>122.0</b>	106.8
Financial Services	<b>100.0</b>	100.0	<b>100.0</b>	100.0
Personal Cares	<b>108.9</b>	106.5	<b>108.7</b>	106.6

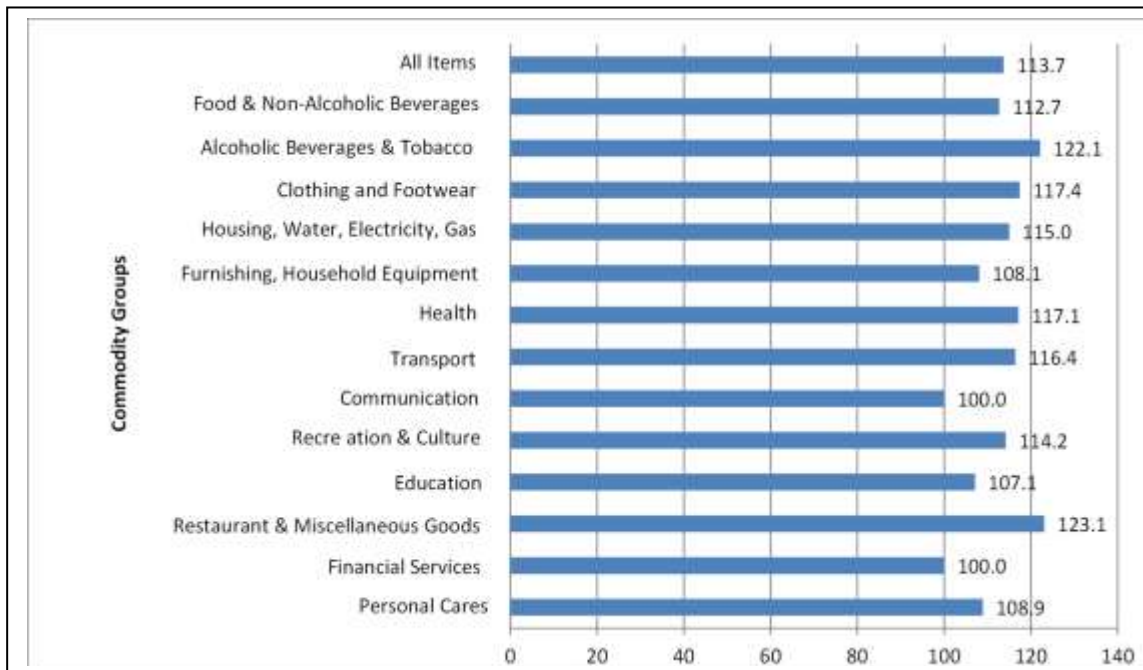
Source of data: PSA, Price Statistics Division

Table 1 shows that commodity under the groups of the *Restaurant and miscellaneous and services, Alcoholic beverages and tobacco, Clothing & footwear, Health, Transport, Housing, water, electricity, gas and other fuel, and Recreation and Culture* had the highest corresponding CPI's of 123.1, 122.1, 117.4, 117.1, 116.4, 115.0 and 114.2 in January 2022, respectively. These seven commodity groups have CPI higher than the total average CPI of *All items* in the province.



On the other hand, *Communication and Financial Services* with identical CPI's of 100.0 had no significant changes across the months. These mean that price of *Communication and Financial Services* did not move from the past month.

**Figure 1. Consumer Price Index Per Commodity Group, Ifugao:**  
January 2022 (2018=100)



Source of data: PSA, Price Statistics Division

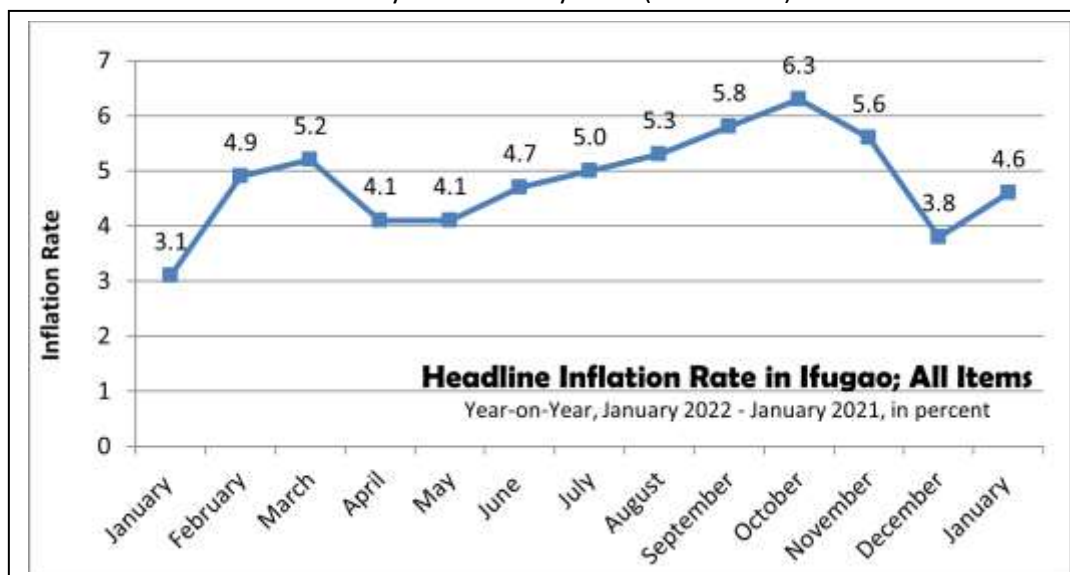
### Inflation Rate decelerated at 4.6 percent



The average headline *Inflation Rate (IR)* in Ifugao accelerated to 4.6 percent as of January 2022 from 3.8 percent in December 2021. This was realized because of the slight movement of prices of goods and services commonly purchased by the households in the province for the past months.

Figure 2 shows an increasing trend like a roller coaster in upward motion. The result for December 2021 posted 0.8 index points decreased from the same period a year ago.

**Figure 2. Year-on-Year Headline Inflation Rate, All Items, Ifugao:**  
January 2022-January 2021 (2018 = 100)



Source of data: PSA, Price Statistics Division

In Table 2, the heavily-weighted *Food and non-alcoholic beverages* posted a 1.4 percent increase from last month indicating the slight movement of prices in the province. It is noted that *Housing, water, electricity, gas and other fuel* had the fastest decreasing Inflation Rate in January 2022.

**Table 2. Month-on- Month Headline Inflation Rate, All items by Commodity Group,**  
Ifugao: January 2022-January 2021 (2018=100)

Commodity Group	January 2021	December 2021
<b>All Items</b>	0.6	-0.2
Food and non - alcoholic beverages	1.4	-1.0
Alcoholic beverages and tobacco	0.3	-0.8
Clothing and footwear	0.5	0.0
Housing, water, electricity, gas and other fuels	-1.2	1.4
Furnishing, household equipment and routine maintenance of the house	0.4	-0.3
Health	0.3	-0.2
Transport	1.0	0.6
Communication	0.0	0.0
Recreation and culture	0.4	-0.1
Education	0.0	0.0
Restaurant and miscellaneous goods and services	0.9	0.0
Financial Services	0.0	0.0
Personal Cares	0.2	-0.1

Source of data: PSA, Price Statistics Division

## Consumer Price Index by Province

In table 3, Cordillera Administrative Region (CAR) generated a CPI of 111.7 in January 2022 for *All Items* commonly purchased by households in the region.

Mountain Province recorded a CPI of 115.3, the highest in the region, followed by Ifugao with CPI 113.7, and Benguet with 113.0 index points.

On the other hand, Abra and Apayao had the least CPI among the provinces in the region with identical 109.8 index points.

**Table 3. Monthly Consumer Price Index for All Income Households by Commodity Group, CAR: January 2022 (2018 = 100)**

Commodity Group	CAR	Abra	Benguet	Ifugao	Kalinga	Mt Province	Apayao
<b>All Items</b>	<b>111.7</b>	<b>109.8</b>	<b>113.0</b>	<b>113.7</b>	<b>112.5</b>	<b>115.3</b>	<b>109.8</b>
Food and non - alcoholic beverages	112.1	105.9	115.2	112.7	111.0	111.0	106.7
Alcoholic beverages and tobacco	132.9	151.3	119.7	122.1	148.3	151.9	139.8
Clothing and footwear	112.3	107.2	110.5	117.4	114.4	112.5	114.0
Housing, water, electricity, gas and other fuels	110.4	111.7	109.4	115.0	108.0	125.1	112.8
Furnishing, household equipment and routine maintenance of the house	109.8	109.4	107.4	108.1	120.0	121.8	111.1
Health	111.5	113.2	109.8	117.1	124.2	108.5	112.3
Transport	113.2	109.7	124.0	116.4	104.2	114.0	108.3
Communication	101.8	100.3	103.2	100.0	101.8	99.4	102.2
Recreation and culture	107.2	111.8	105.1	114.2	110.4	104.8	119.1
Education	107.4	105.4	105.3	107.1	122.2	105.3	109.4
Restaurant and miscellaneous goods and services	119.0	130.8	116.8	123.1	127.7	138.2	123.1
Financial Services	139.2	160.4	146.0	100.0	146.0	100.0	146.0
Personal Cares	110.1	108.5	111.9	108.9	110.1	113.7	112.6

Source of data: Philippine Statistics Authority

## Purchasing Power of Peso (PPP)



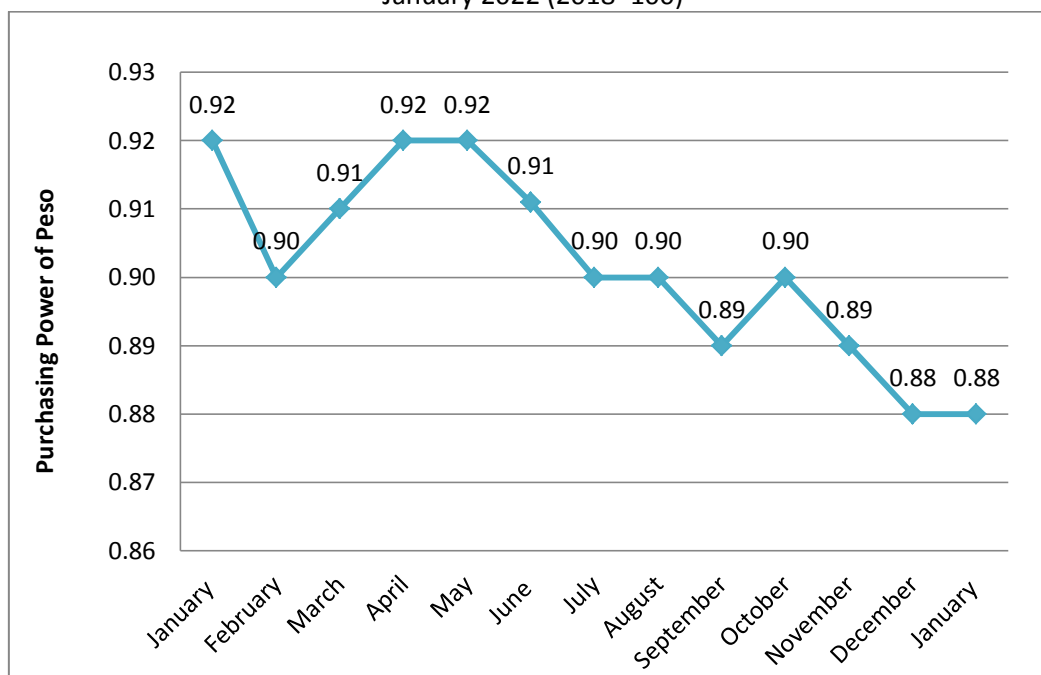
In Ifugao a peso in 2018 is only worth 92 centavos in January 2021 and 88 centavos in January 2022.

The *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 January 2022 is at Php 0.88 or you need Php 1.14  $[(1/0.88)*100]$  to buy the same product in 2018.

Also, a basket of goods and services that can be bought by a typical Filipino household worth 100 pesos in 2018 is worth 114 pesos in January 2022. It is noted that PPP did not moved from Php 0.88 in December 2021 as compared during the reference month, see figure 3.

**Figure 3. Monthly Purchasing Power of Peso, Ifugao:**  
January 2022 (2018=100)



Source of data: PSA, Price Statistics Division

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## TECHNICAL TERMS:

### 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.