



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

REPUBLIC OF THE PHILIPPINES

**PHILIPPINE STATISTICS AUTHORITY**

BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

# SPECIAL RELEASE

## ARMM Consumer Price Index (as of January 2019)

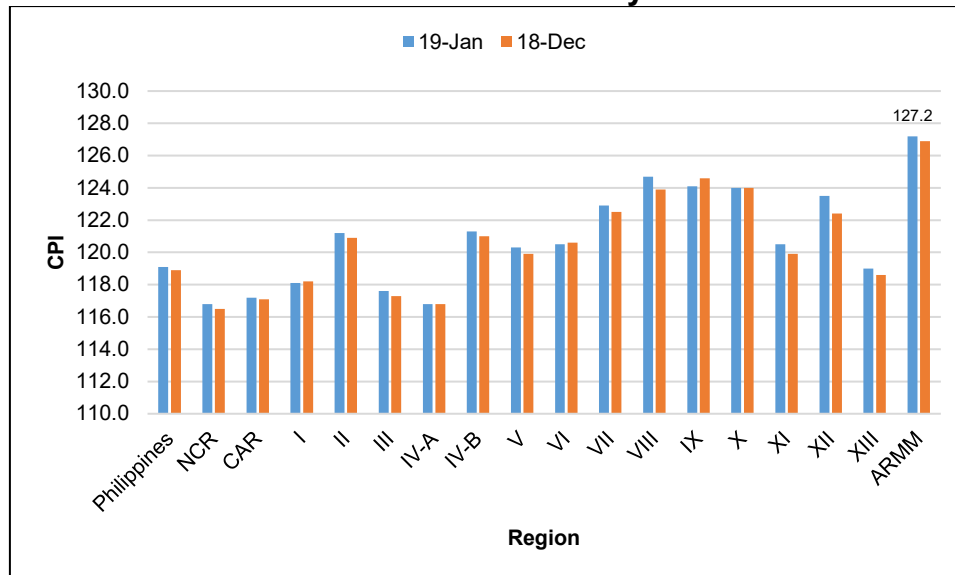
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### Consumer Price Index

The Consumer Price Index (CPI) is an indicator of the changes in the average retail prices of fixed basket of goods and services commonly purchased by households relative to a base year. ARMM recorded a CPI of 127.2 in January 2019. The region's CPI is the highest in the entire country during this period.

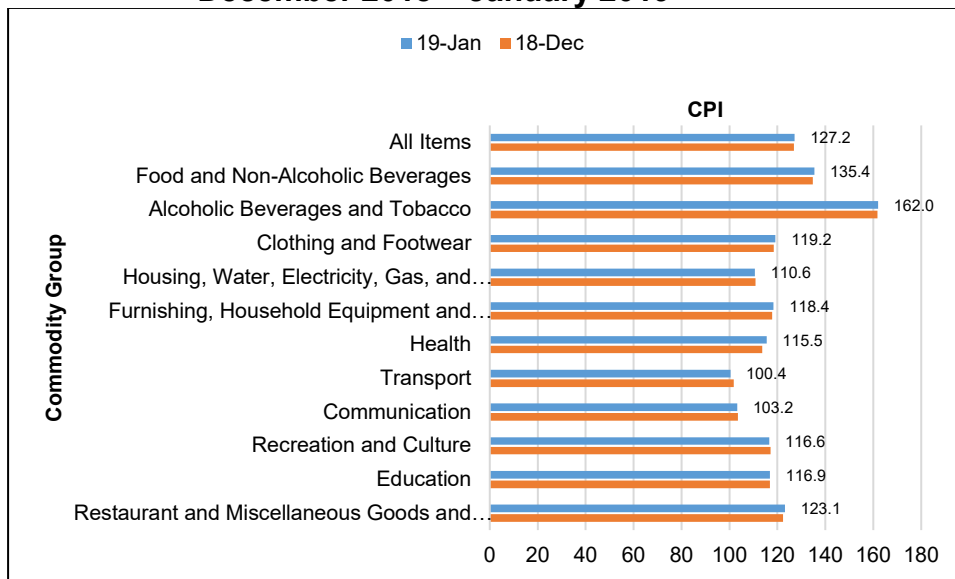
**Figure 1. Monthly Consumer Price Index for All Income Households in the Philippines, by Region: December 2018 – January 2019**



Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

Figure 2 shows that commodity groups of *Alcoholic Beverages and Tobacco*, *Food and Non-Alcoholic Beverages*, and *Restaurant and Miscellaneous Goods and Services* have the highest corresponding CPIs of 162.0, 135.4 and 123.1 in January 2019. On the other hand, *Transport, Communication*, and *Housing, Water, Electricity, Gas, and Other Fuels* have the lowest CPIs of 100.4, 103.2, and 110.6, respectively.

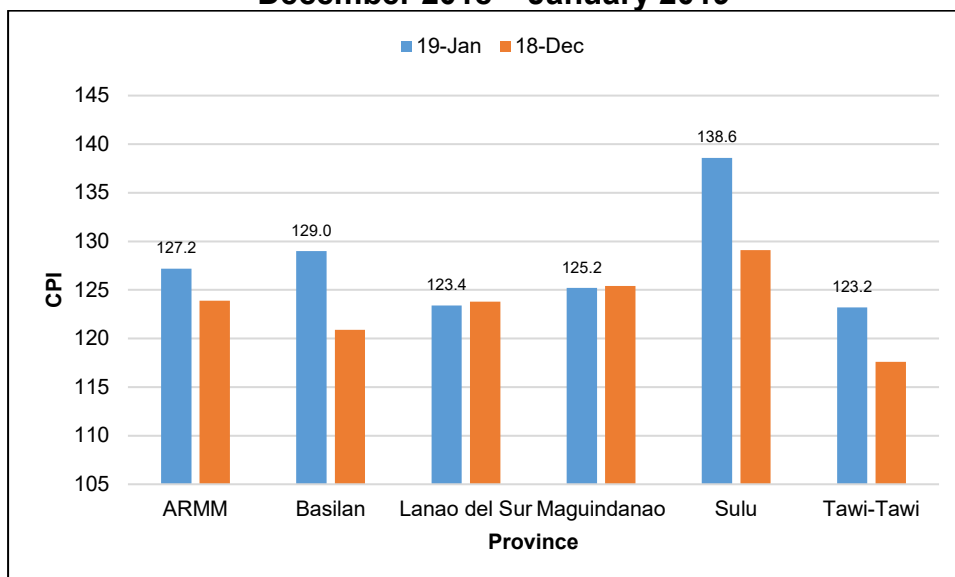
**Figure 2. Monthly Consumer Price Index for All Income Households in ARMM, by Commodity Group: December 2018 – January 2019**



Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

The Province of Sulu recorded the highest CPI in the region in January 2019 at 138.6, as shown in Figure 3. This was followed by Basilan and Maguindanao with CPIs of 129.0 and 125.2, respectively. Figure 3 also shows that Tawi-Tawi and Lanao del Sur have the lowest corresponding CPIs of 123.2 and 123.4.

**Figure 3. Monthly Consumer Price Index for All Income Households in ARMM, by Province: December 2018 – January 2019**

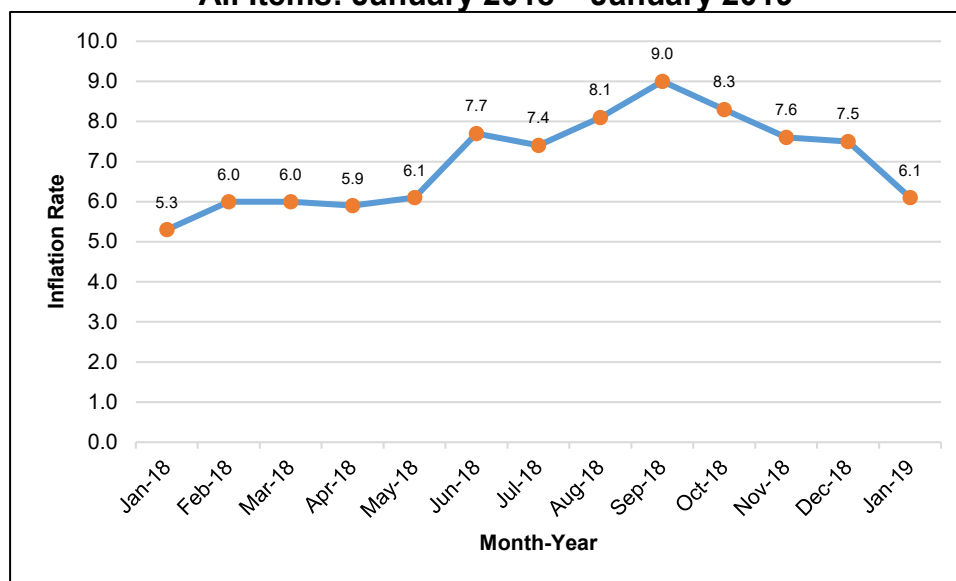


Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

## Inflation Rate

Figure 4 shows that the inflation rate of ARMM decelerated to 6.1 percent in January 2019 from the 7.5 percent inflation rate in December 2018. This implies that the average retail prices of goods and services in the market basket in ARMM increased by 6.1 percent in January 2019 compared to the prices in January 2018.

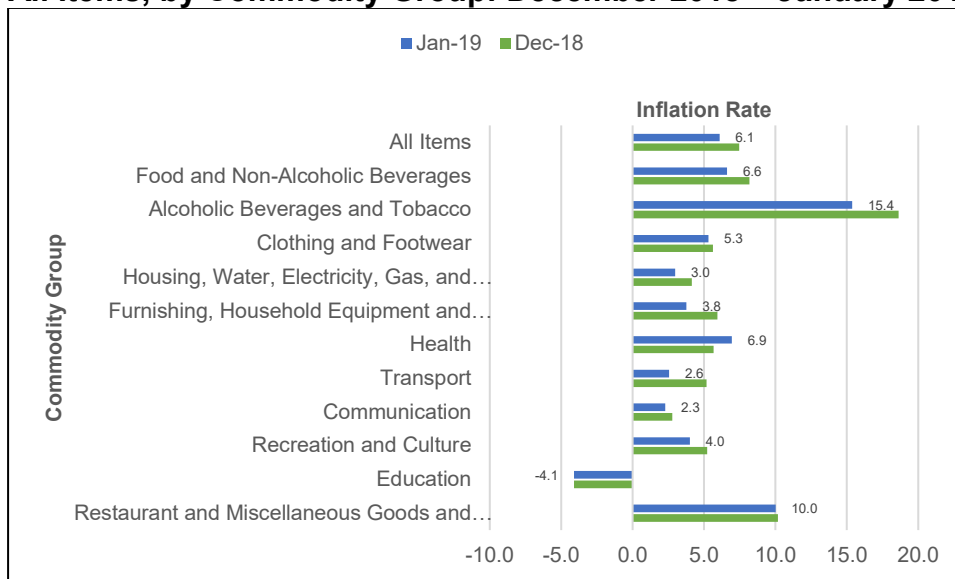
**Figure 4. Year-on-Year Headline Inflation Rate in ARMM,  
All Items: January 2018 – January 2019**



Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

Commodity groups of *Alcoholic Beverages and Tobacco*, *Restaurant and Miscellaneous Goods and Services*, and *Health* have the highest inflation rates in January 2019 recorded at 15.4 percent, 10.0 percent, and 6.9 percent, respectively. On the other hand, commodity groups of *Communication*, *Transport*, and *Housing, Water, Electricity, Gas, and Other Fuels* have the lowest corresponding inflation rates of 2.3 percent, 2.6 percent, and 3.0 percent; while the average prices in *Education* decreased by 4.1 percent in January 2019 (see Figure 5).

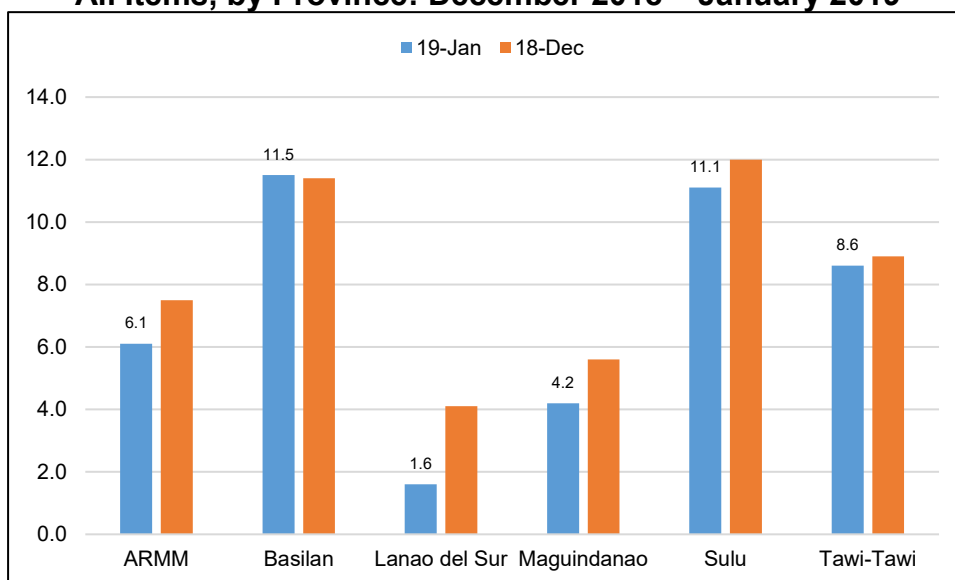
**Figure 5. Year-on-Year Headline Inflation Rate in ARMM, All Items, by Commodity Group: December 2018 – January 2019**



Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

It is shown in Figure 6 that Basilan has the highest inflation rate of 11.5 percent in January 2019. This is followed by Sulu and Tawi-Tawi with 11.1 percent and 8.6 percent, respectively. On the other hand, Lanao del Sur and Maguindanao recorded the lowest corresponding inflation rates of 1.6 percent and 4.2 percent in the region during the reference period.

**Figure 6. Year-on-Year Headline Inflation Rate in ARMM, All Items, by Province: December 2018 – January 2019**

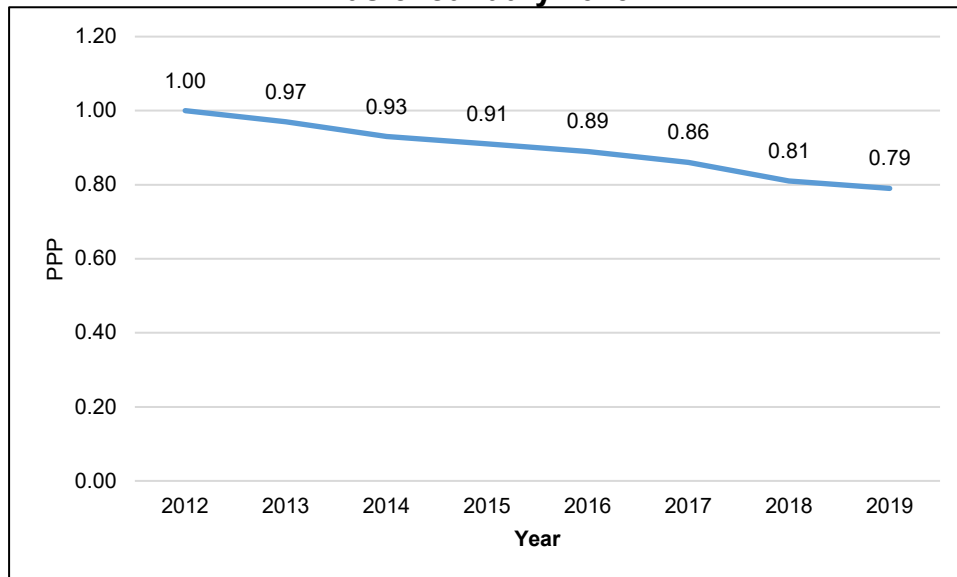


Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

## Purchasing Power of Peso

Purchasing Power of Peso (PPP) is inversely related to inflation rate. Thus, as the inflation rate increases, PPP declines, as shown in Figure 7. In ARMM, PPP is at 0.79 as of January 2019. This is 2.47 percent lower than the average annual PPP in 2018. The 0.79 PPP implies that the Php1.00 in 2012, as the base year, values only Php0.79 in January 2019.

**Figure 7. Purchasing Power of Peso in ARMM:  
as of January 2019**



Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

## 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 commonly purchased by households relative to a base year.

### Uses of CPI

The CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is a major statistical series used for economic analysis and as a monitoring indicator of government economic policy.

### Computation of CPI

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

#### a. Base Period

The reference date or base 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 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 items purchased by households as a 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 (2006) weights.

#### e. Geographic Coverage

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

**Inflation Rate** is the rate of change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of peso.

**Headline Inflation** refers to the rate of change in the CPI, a measure of the average standard "basket" of goods and services consumed by a typical family.

**Purchasing Power of Peso** shows how much the 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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