



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 March 2019)

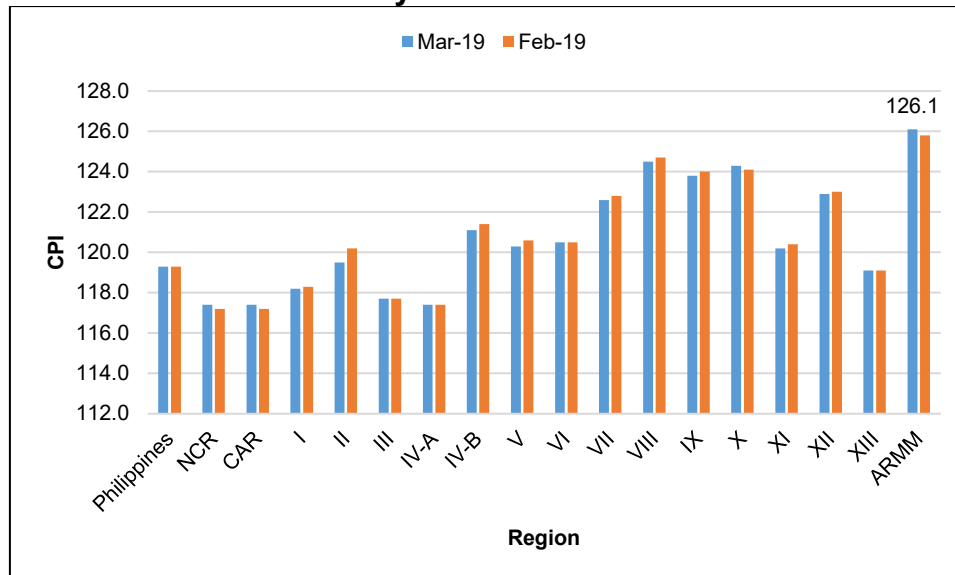
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### Consumer Price Index

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 126.1 in March 2019. The region's CPI is the highest in the entire country during this period.

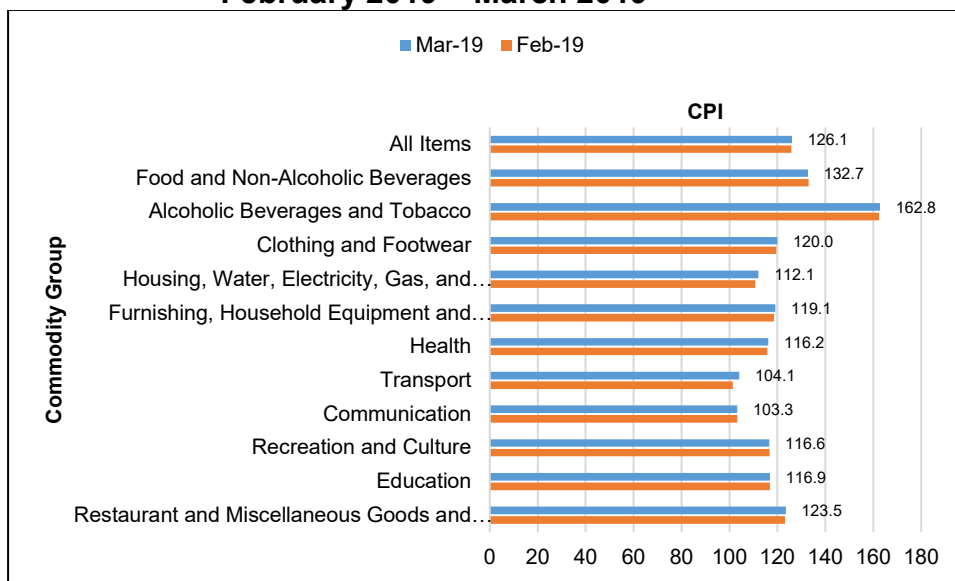
**Figure 1. Monthly Consumer Price Index for All Income Households in the Philippines, by Region: February 2019 – March 2019**



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 162.8, 132.7 and 123.5 in March 2019. On the other hand, *Communication*, *Transport*, and *Housing, Water, Electricity, Gas, and Other Fuels* have the lowest CPIs of 103.3, 104.1, and 112.1, respectively.

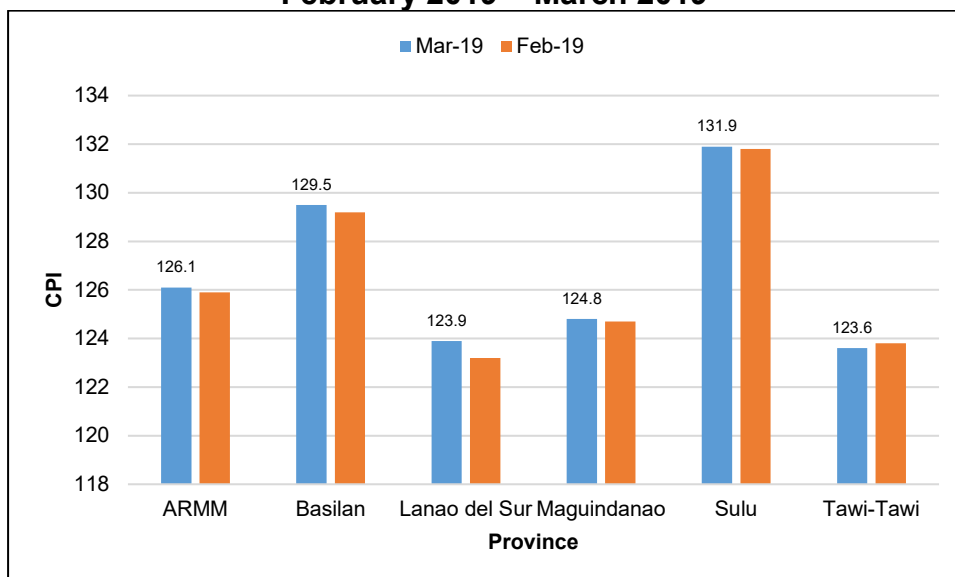
**Figure 2. Monthly Consumer Price Index for All Income Households in ARMM, by Commodity Group: February 2019 – March 2019**



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 March 2019 at 131.9, as shown in Figure 3. This was followed by Basilan and Maguindanao with CPIs of 129.5 and 124.8, respectively. Figure 3 also shows that Tawi-Tawi and Lanao del Sur have the lowest corresponding CPIs of 123.6 and 123.9.

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

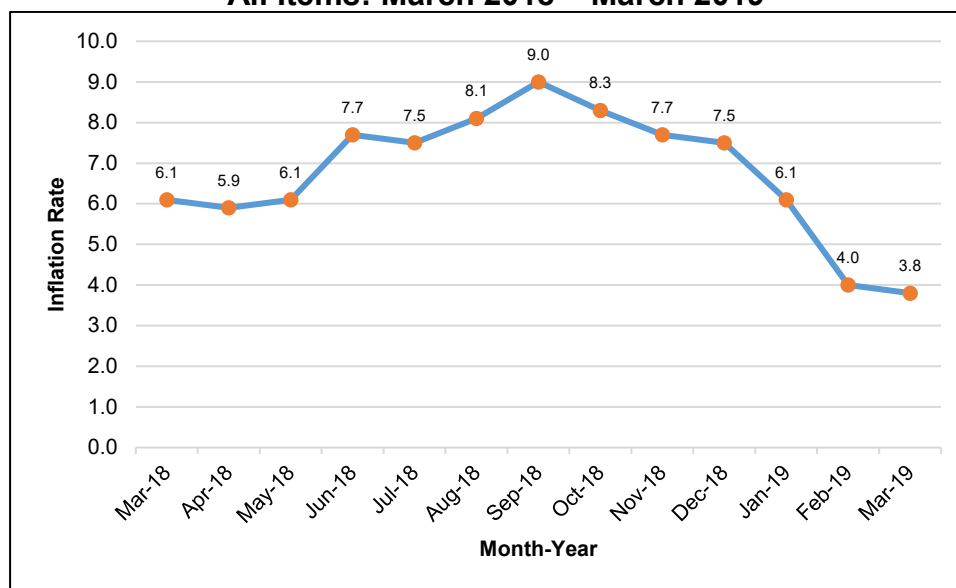


Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

## Inflation Rate

Figure 4 shows that the inflation rate of ARMM decelerated to 3.8 percent in March 2019 from the 4.0 percent inflation rate in February 2019. This implies that the average retail prices of goods and services in the market basket in ARMM increased by 3.8 percent in March 2019 compared to the prices in March 2018.

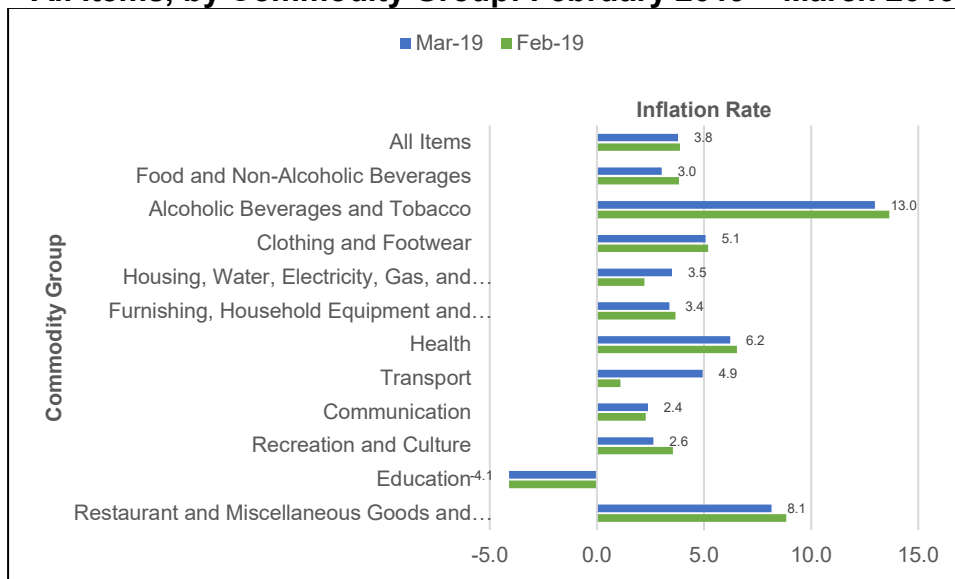
**Figure 4. Year-on-Year Headline Inflation Rate in ARMM,  
All Items: March 2018 – March 2019**



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 March 2019 recorded at 13.0 percent, 8.1 percent, and 6.2 percent, respectively. On the other hand, commodity groups of *Communication*, *Recreation and Culture*, and *Food and Non-Alcoholic Beverages* have the lowest corresponding inflation rates of 2.4 percent, 2.6 percent, and 3.0 percent; while the average prices in *Education* decreased by 4.1 percent in March 2019 (see Figure 5).

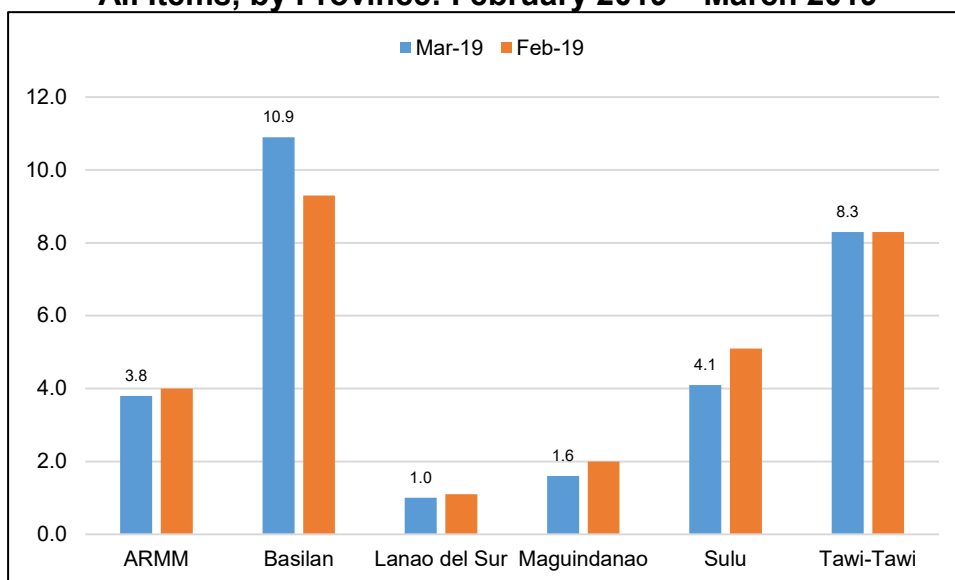
**Figure 5. Year-on-Year Headline Inflation Rate in ARMM, All Items, by Commodity Group: February 2019 – March 2019**



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 10.9 percent in March 2019. This is followed by Tawi-Tawi and Sulu with 8.3 percent and 4.1 percent, respectively. On the other hand, Lanao del Sur and Maguindanao recorded the lowest corresponding inflation rates of 1.0 percent and 1.6 percent in the region during the reference period.

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



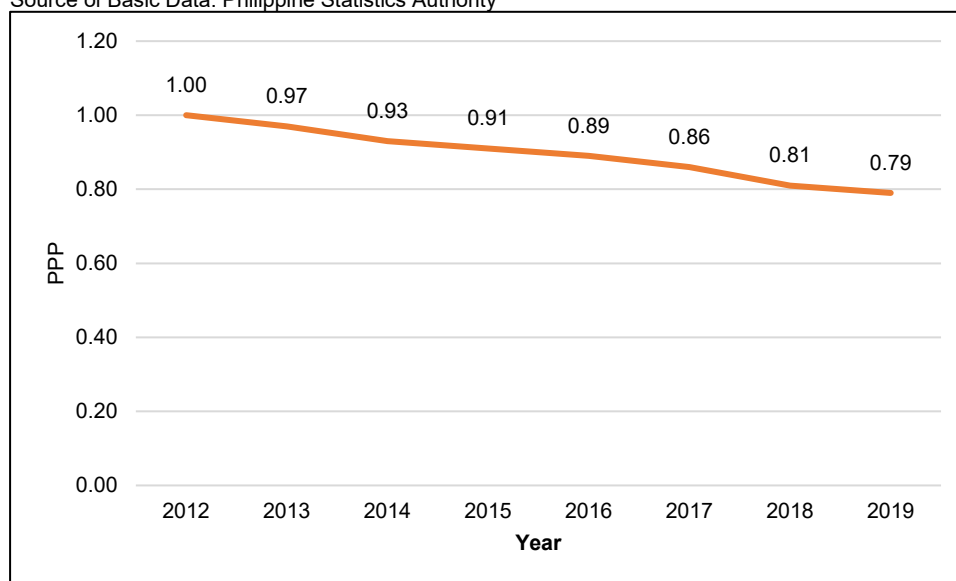
Source of Basic Data: Philippine Statistics Authority  
Survey of Retail Prices of Commodities for the Generation of CPI

## 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 March 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 March 2019.

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

Source of Basic Data: Philippine Statistics Authority



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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