



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

REPUBLIC OF THE PHILIPPINES

PHILIPPINE STATISTICS AUTHORITY

BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

SPECIAL RELEASE

BARMM Consumer Price Index (Formerly ARMM) as of July 2019

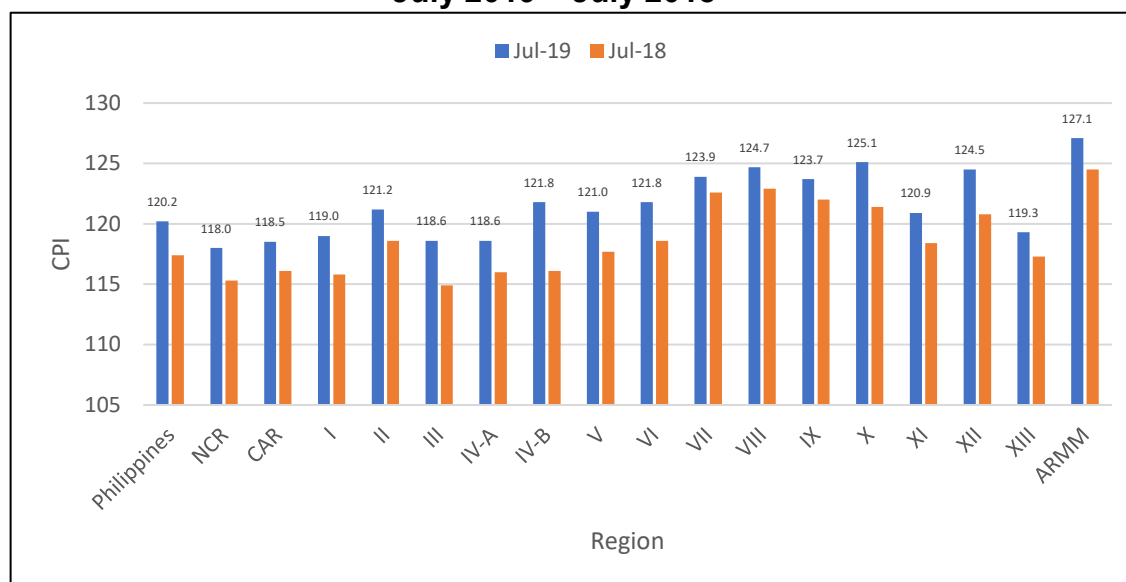
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Consumer Price Index

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. BARMM recorded a CPI of 127.1 in July 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: July 2019 – July 2018

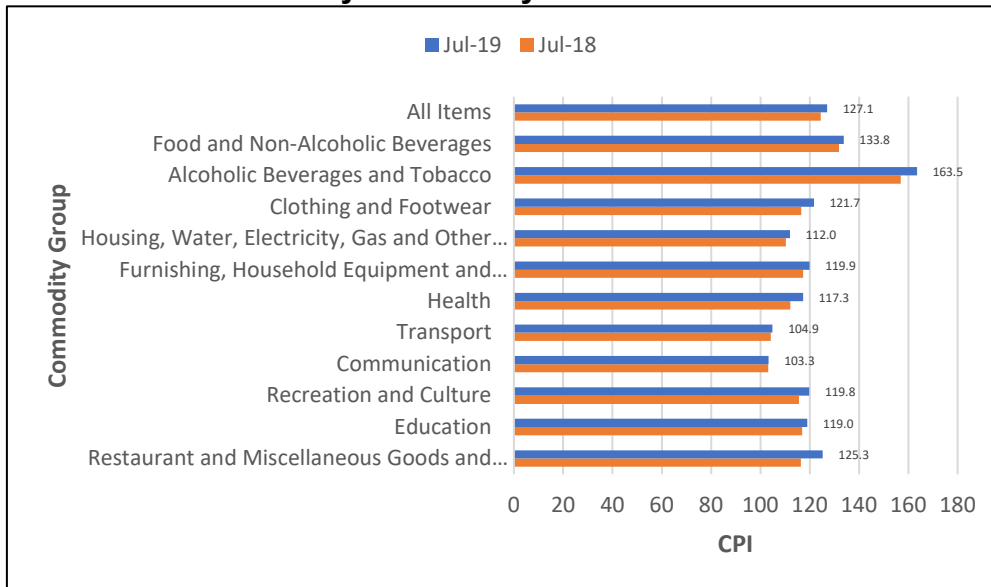


Source of Basic Data: Philippine Statistics Authority
Survey of Retail Prices of Commodities for the Generation of CPI

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 163.5, 133.8 and 125.3 in July 2019.

On the other hand, *Communication, Transport, and Housing, Water, Electricity, Gas, and Other Fuels* have the lowest CPIs of 103.3, 104.9, and 112.0, respectively.

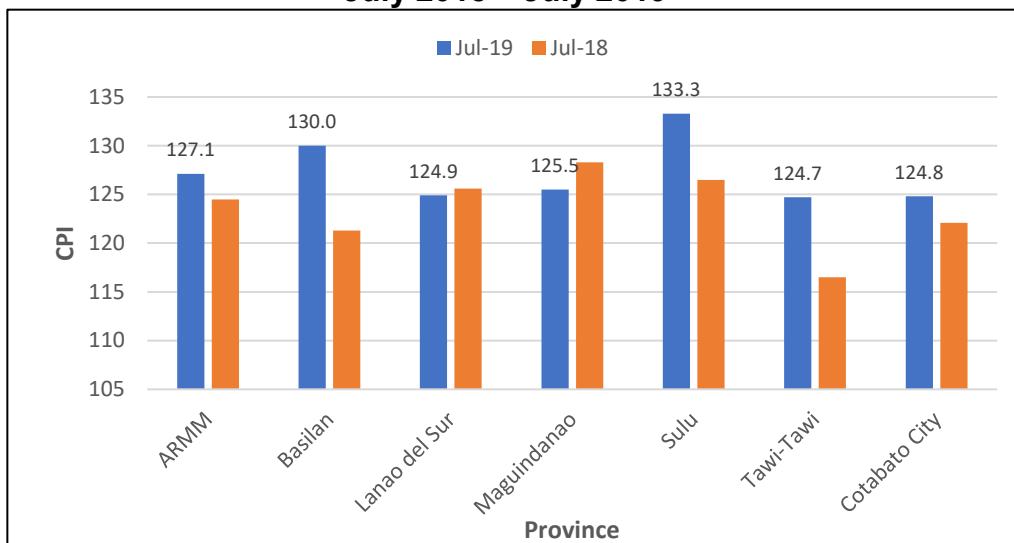
Figure 2. Monthly Consumer Price Index for All Income Households in BARMM, by Commodity Group: July 2018 – July 2019



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 July 2019 at 133.3, as shown in Figure 3. This was followed by Basilan and Lanao del Sur with CPIs of 130.7 and 125.9, respectively. Figure 3 also shows that Tawi-Tawi, Cotabato City, and Lanao del Sur have the lowest corresponding CPIs of 124.7, 124.8 and 124.9.

Figure 3. Monthly Consumer Price Index for All Income Households in BARMM, by Province: July 2018 – July 2019

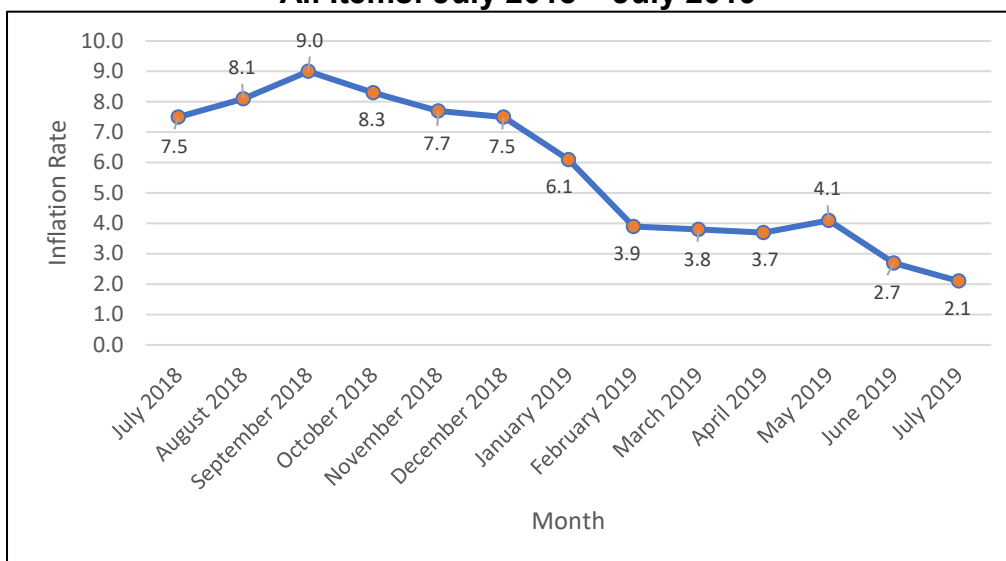


Source of Basic Data: Philippine Statistics Authority
Survey of Retail Prices of Commodities for the Generation of CPI

Inflation Rate

Figure 4 shows that the inflation rate of BARMM decelerated to 2.1 percent in July 2019 from the 7.5 percent inflation rate in July 2018. This implies that the average retail prices of goods and services in the market basket in BARMM increased by 2.1 percent in July 2019 compared to the prices in July 2018.

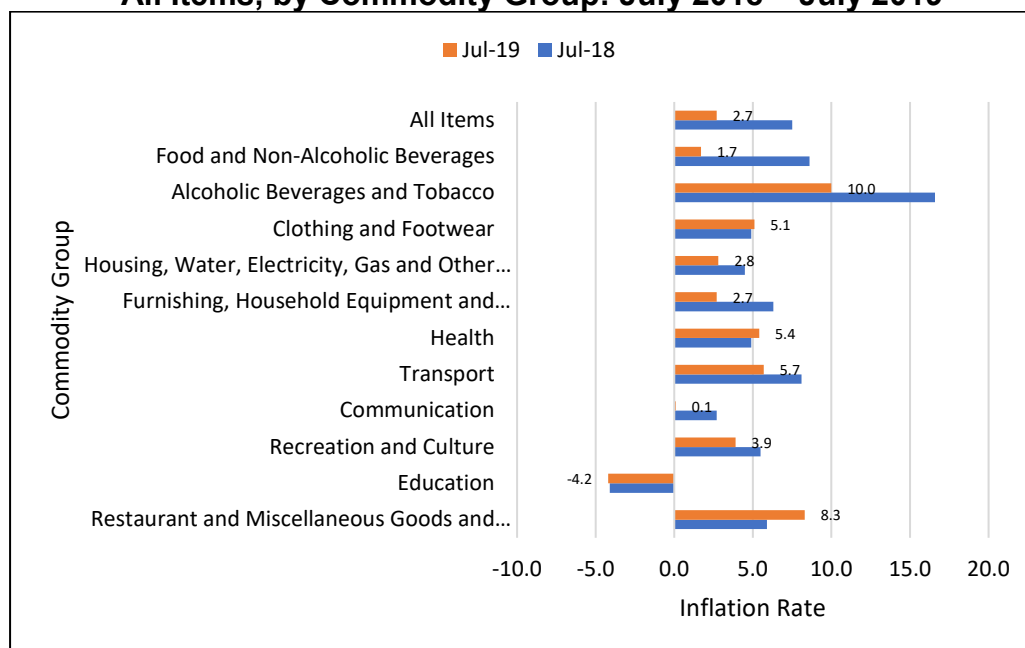
Figure 4. Year-on-Year Headline Inflation Rate in BARMM, All Items: July 2018 – July 2019



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 *Transport* have the highest inflation rates in July 2019 recorded at 10.0 percent, 8.3 percent, and 5.1 percent, respectively. On the other hand, commodity groups of *Communication*, *Food and Non-Alcoholic Beverages* and *Furnishing, Household Equipment, and Routine Maintenance of the House* have the lowest corresponding inflation rates of 0.1 percent, 1.7 percent, and 2.7 percent; while the average prices in *Education* decreased by 4.2 percent in July 2019 (see Figure 5).

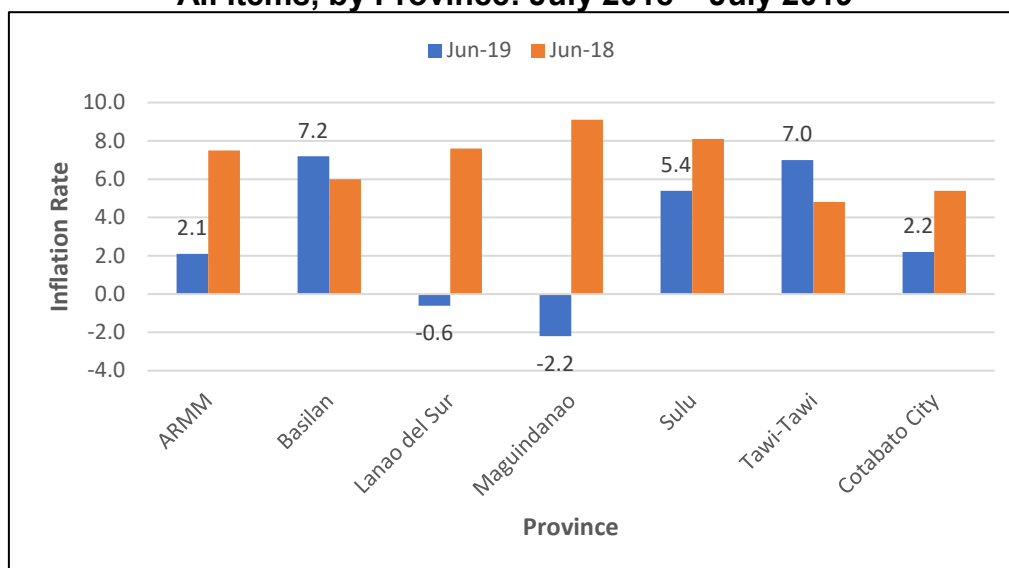
Figure 5. Year-on-Year Headline Inflation Rate in BARMM, All Items, by Commodity Group: July 2018 – July 2019



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 7.8 percent in July 2019. This is followed by Tawi-Tawi and Sulu with 7.7 percent and 5.2 percent, respectively. On the other hand, Lanao del Sur and Cotabato City recorded the lowest corresponding inflation rates of 0.2 percent and 1.5 percent during the reference period; while the average prices of All Items in Maguindanao decreased by 0.8 percent.

Figure 6. Year-on-Year Headline Inflation Rate in BARMM, All Items, by Province: July 2018 – July 2019

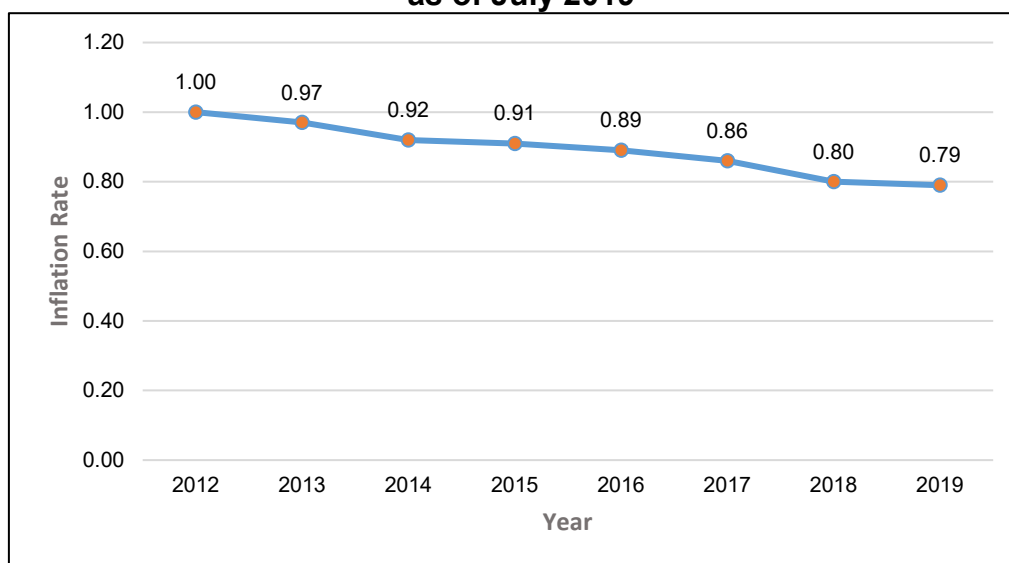


Source of Basic Data: Philippine Statistics Authority
Survey of Retail Prices of Commodities for the Generation of CPI

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 BARMM, PPP is at 0.79 as of July 2019. This is 1.25 percent lower than the PPP in July 2018. The 0.79 PPP implies that the Php1.00 in 2012, as the base year, values only Php0.78 in July 2019.

Figure 7. Purchasing Power of Peso in BARMM: as of July 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.

Note: The dataset used in the special release is exclusive for ARMM plus Cotabato City only.



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