



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

REPUBLIC OF THE PHILIPPINES

PHILIPPINE STATISTICS AUTHORITY

LANAO DEL SUR PROVINCIAL OFFICE

SPECIAL RELEASE

Lanao del Sur Consumer Price Index in July 2022

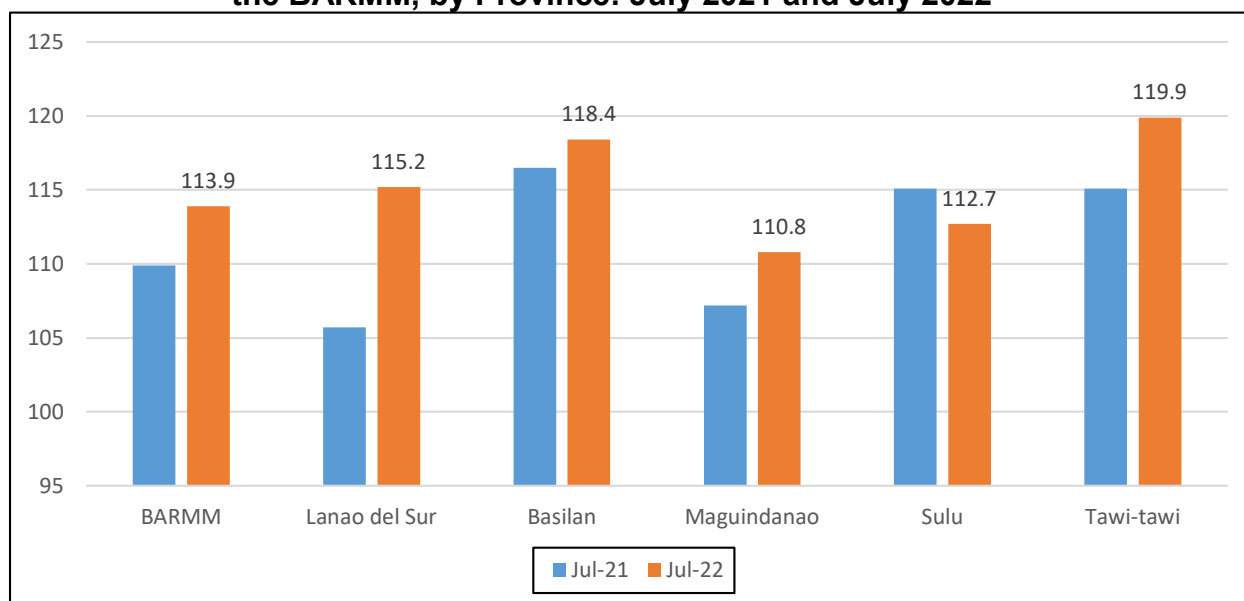
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Consumer Price Index

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. Lanao del Sur recorded a CPI of 115.2 in July 2022. Lanao del Sur's CPI was 3rd highest in the entire Region of BARMM during this period.

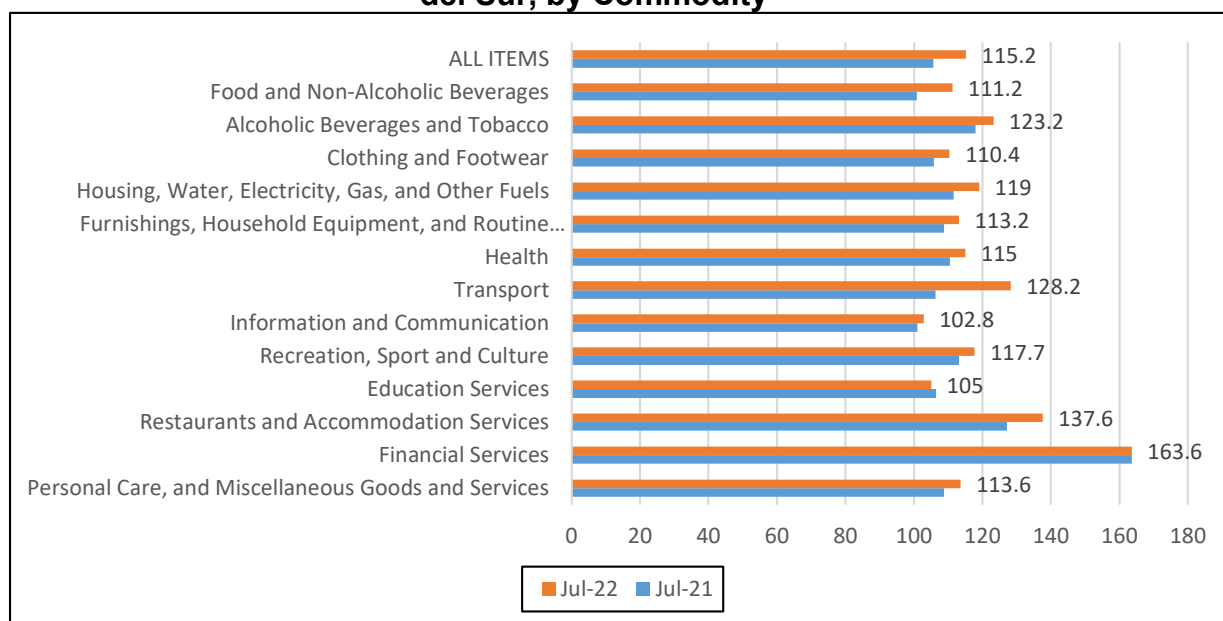
Figure 1. Monthly Consumer Price Index for All Income Households in the BARMM, by Province: July 2021 and July 2022



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

Figure 2 shows that commodity groups of (1) Financial Services, (2) Restaurants and Accommodation Services and (3) Transport have the highest corresponding CPIs of 163.6, 137.6 and 128.2, respectively in July 2022. On the other hand, (1) Information and Communication, (2) Education Services and (3) Clothing and Footwear CPIs of 102.8, 105.0 and 110.4, respectively in Lanao del Sur.

Figure 2. Monthly Consumer Price Index for All Income Households in Lanao del Sur, by Commodity

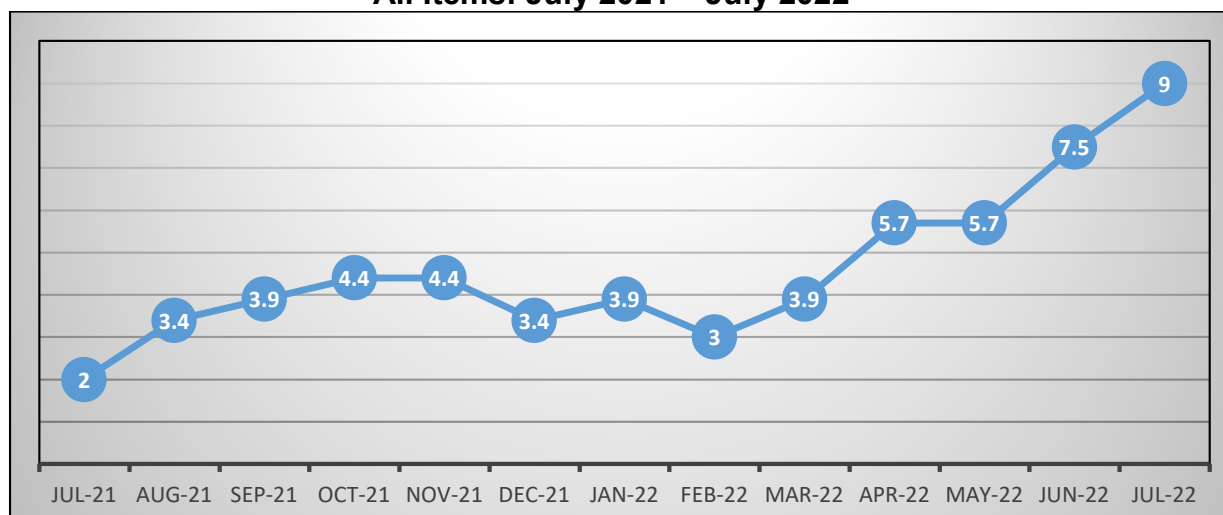


Source: Philippine Statistics Authority Survey of Retail Prices of Commodities for the Generation of CPI

Inflation Rate

Figure 3 shows that the inflation rate of Lanao del Sur increased from 2.0 percent in July 2021 to 9 percent in July 2022. This implies that the average retail prices of goods and services in the market basket in Lanao del Sur increased by 7 percent in July 2022 compared to the prices in July 2021.

Figure 3. Year-on-Year Headline Inflation Rate in Lanao del Sur, All Items: July 2021 – July 2022

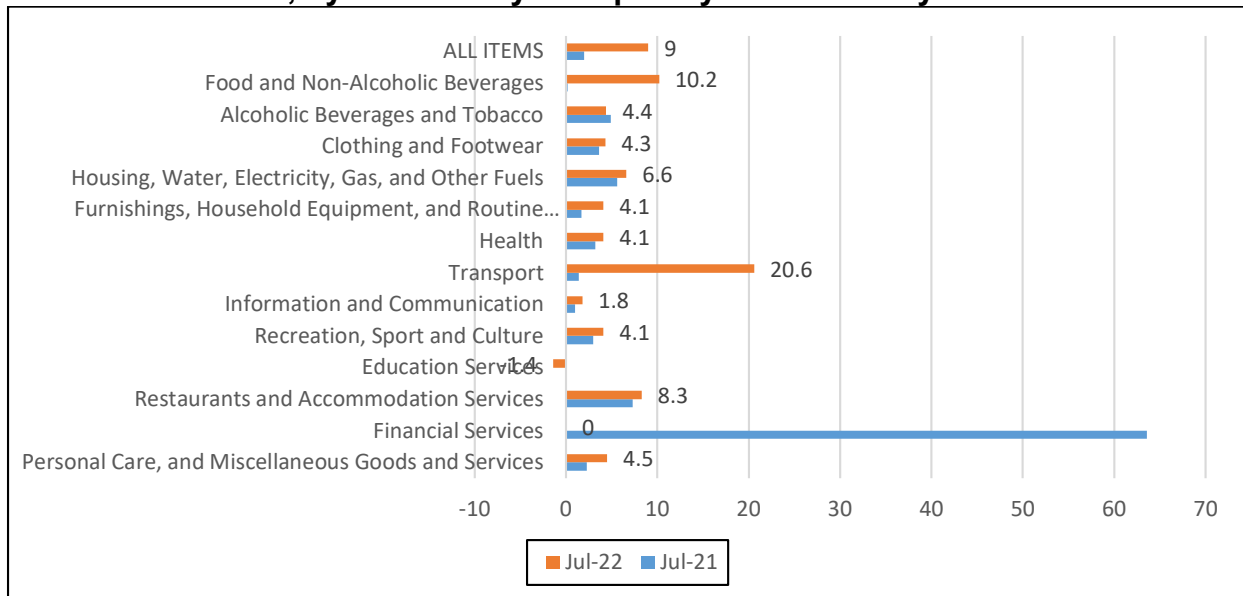


Source of Basic Data: Philippine Statistics Authority; Survey of Retail Prices of Commodities for the Generation of CPI

In Figure 4. Commodity groups such as (1) Transport, (2) Food and Non-Alcoholic Beverages and (3) Restaurants and Accommodation Services have the highest inflation rate of 20.6, 10.2 and 8.3 percent, respectively. On the other hand, commodity groups such as (1) Financial Services, (2) Furnishings, Household Equipment, and

Routine Household Maintenance, Health and Recreation, Sport and Culture and (3) Clothing and Footwear have the lowest corresponding inflation rates of 0.0 percent, 4.1, 4.1, 4.1 percent, and 4.3 percent respectively.

Figure 4. Year-on-Year Headline Inflation Rate in Lanao del Sur, All Items, by Commodity Group: July 2021 and July 2022

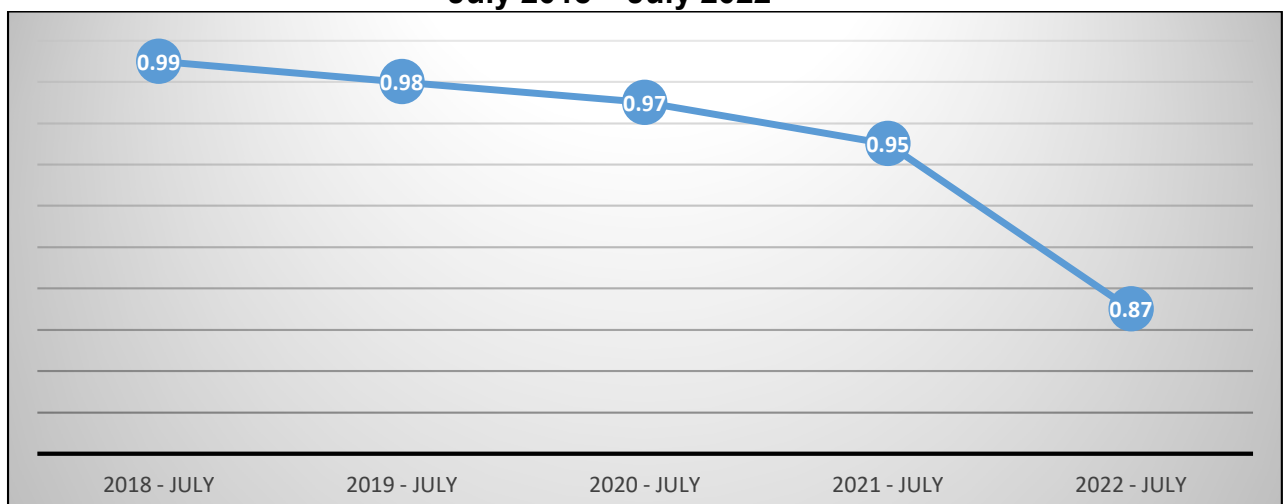


Source of Basic Data: Philippine Statistics Authority; Survey of Retail Prices of Commodities for the Generation of CPI

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 5 in province of Lanao del Sur, PPP is at 0.87 as of July 2022. This is 8.4 percent lower than the PPP in July 2021.

Figure 5. Purchasing Power of Peso in Lanao del Sur: July 2018 – July 2022



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

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 BARMM provinces including Cotabato City and excluding 63 barangays

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