



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 August 2020

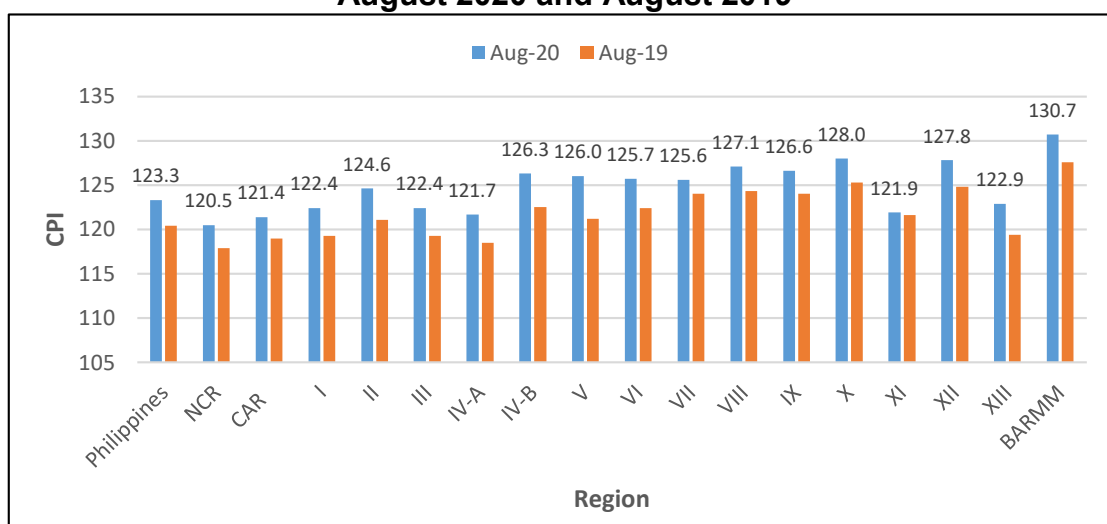
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Consumer Price Index

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 130.7 in August 2020. The region's CPI is the highest in the entire country during this period.

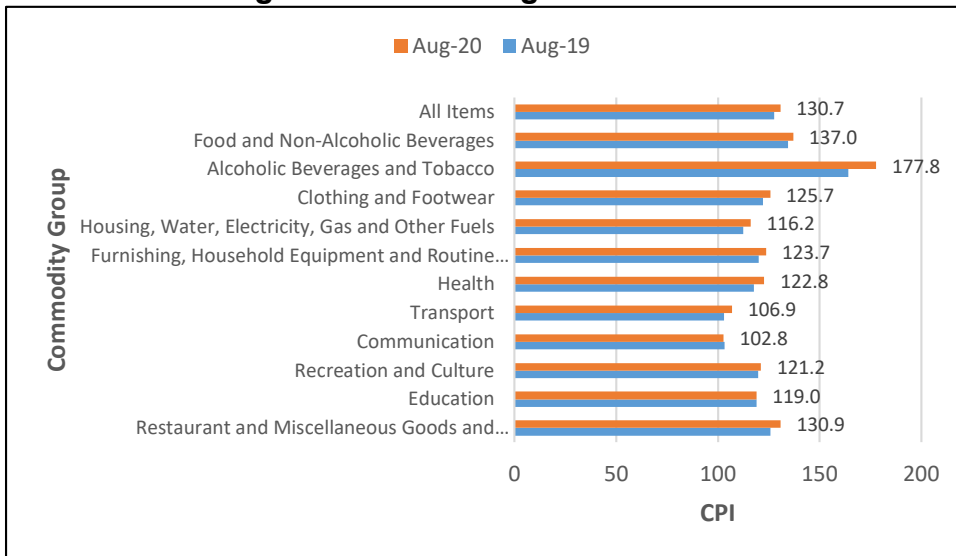
Figure 1. Monthly Consumer Price Index for All Income Households in the Philippines, by Region: August 2020 and August 2019



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 ⁽¹⁾*Alcoholic Beverages and Tobacco*, ⁽²⁾*Food and Non-Alcoholic Beverages*, and ⁽³⁾*Restaurant and Miscellaneous Goods and Services* have the highest corresponding CPIs of 177.8, 137.0 and 130.9 in August 2020. On the other hand, ⁽¹⁾*Communication*, ⁽²⁾*Transport* and ⁽³⁾*Housing, Water, Electricity, Gas, and Other Fuels* have the lowest CPIs of 102.8, 106.9, and 116.2, respectively.

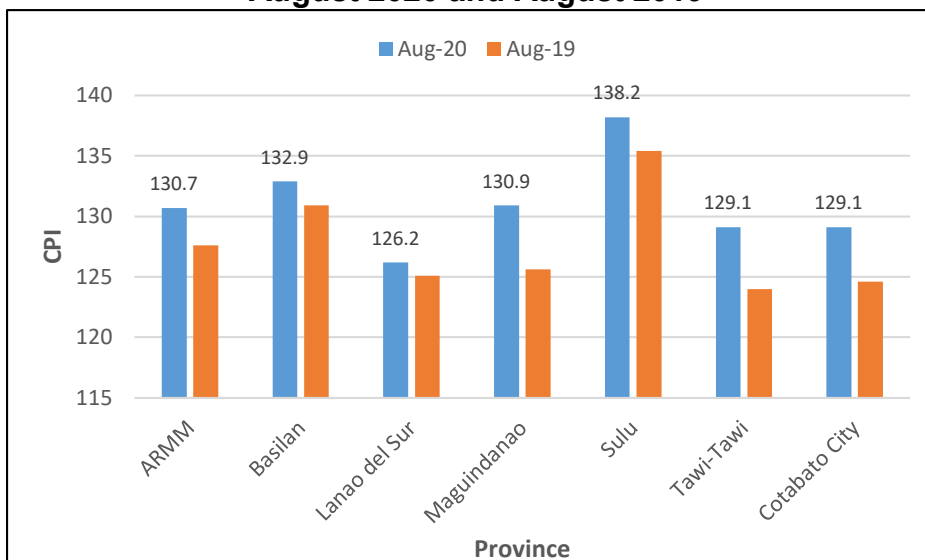
Figure 2. Monthly Consumer Price Index for All Income Households in BARMM, by Commodity Group: August 2019 and August 2020



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 August 2020 at 138.2, as shown in Figure 3. This was followed by Basilan and Maguindanao with CPIs of 132.9 and 130.9, respectively. Lanao del Sur has the lowest CPIs among the provinces with 126.2.

Figure 3. Monthly Consumer Price Index for All Income Households in BARMM, by Province: August 2020 and August 2019

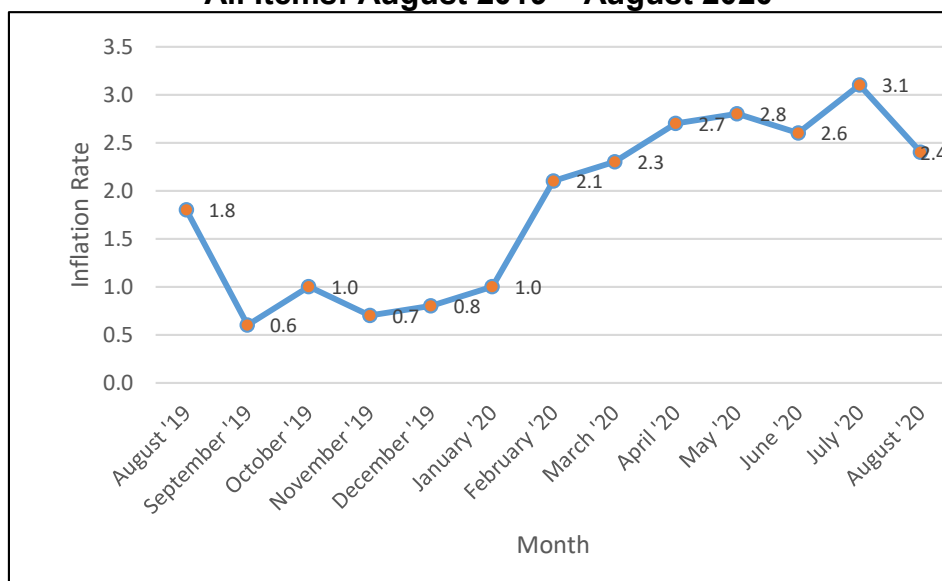


Source of Basic Data: Philippine Statistics Authority
Survey of Retail Prices of Commodities for the Generation of CPI

Inflation Rate

Figure 4 shows that the inflation rate of BARMM decelerated to 22.6 percent in August 2020 from the 3.1 percent inflation rate in July 2020. This implies that the average retail prices of goods and services in the market basket in BARMM increased by 2.4 percent in August 2020 compared to the prices in August 2019.

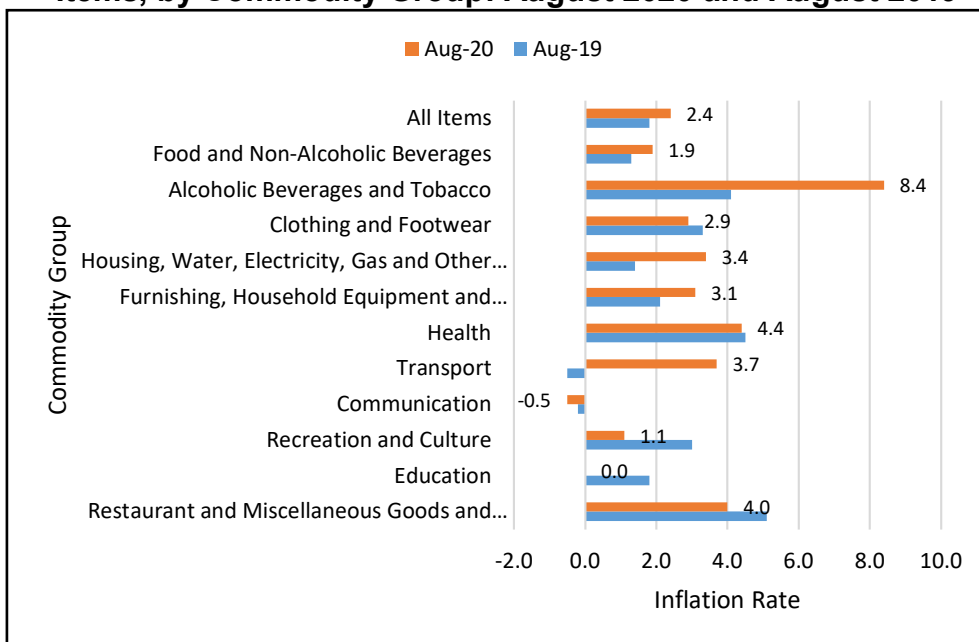
**Figure 4. Year-on-Year Headline Inflation Rate in BARMM,
All Items: August 2019 – August 2020**



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

Commodity groups of ⁽¹⁾*Alcoholic Beverages and Tobacco*, ⁽²⁾*Health and* ⁽³⁾*Restaurant and Miscellaneous Goods and Services* have the highest inflation rates in August 2020 recorded at 8.4 percent, 4.4 percent, and 4.0 percent, respectively. On the other hand, commodity groups of ⁽¹⁾*Education*, ⁽²⁾*Recreation and Culture*, and ⁽³⁾*Food and Non-Alcoholic Beverages* have the lowest corresponding inflation rates of 0 percent, 1.1 percent, and 1.9 percent; while the average prices in *Communication* decreased by 0.5 percent in August 2020, respectively (see Figure 5).

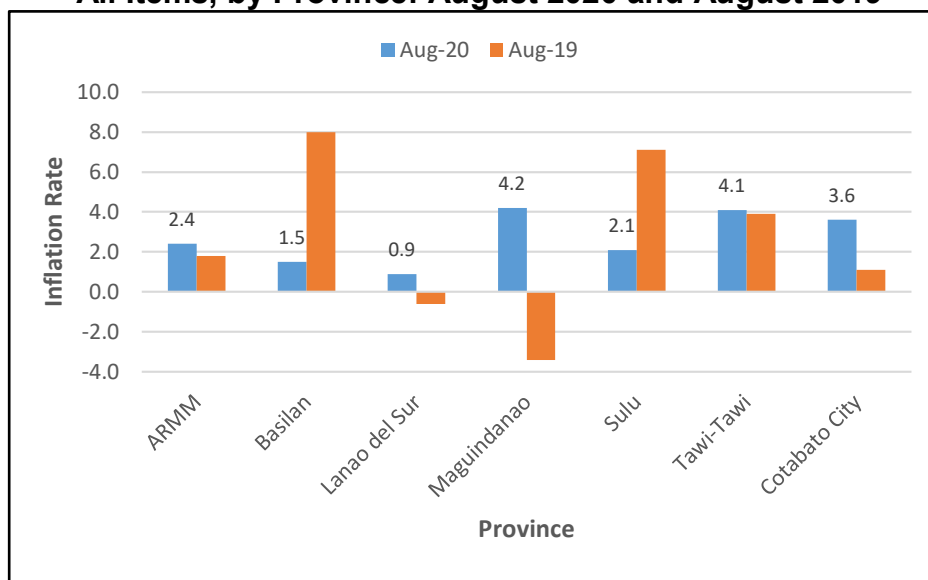
Figure 5. Year-on-Year Headline Inflation Rate in BARMM, All Items, by Commodity Group: August 2020 and August 2019



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 Maguindanao has the highest inflation rate which is 4.2 percent in August 2020. This is followed by Tawi-Tawi and Cotabato City with 4.1 percent and 3.6 percent, respectively. Lanao del Sur has the least inflation rate among the provinces with 0.9 percent.

Figure 6. Year-on-Year Headline Inflation Rate in BARMM, All Items, by Province: August 2020 and August 2019

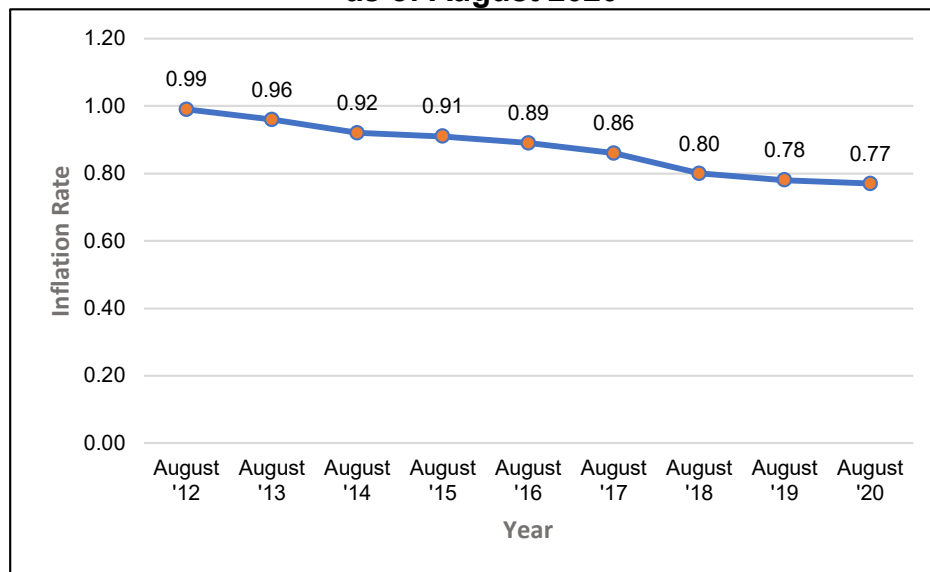


Source of Basic Data: Philippine Statistics Authority
Survey of Retail Prices of Commodities for the Generation of CPI

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 0.77 as of August 2020. This is 1.3 percent lower than the PPP in August 2019. The 0.77 PPP implies that the Php1.00 in 2012, as the base year, values only Php0.77 in August 2020.

**Figure 7. Purchasing Power of Peso in BARMM:
as of August 2020**



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.

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