



SPECIAL RELEASE

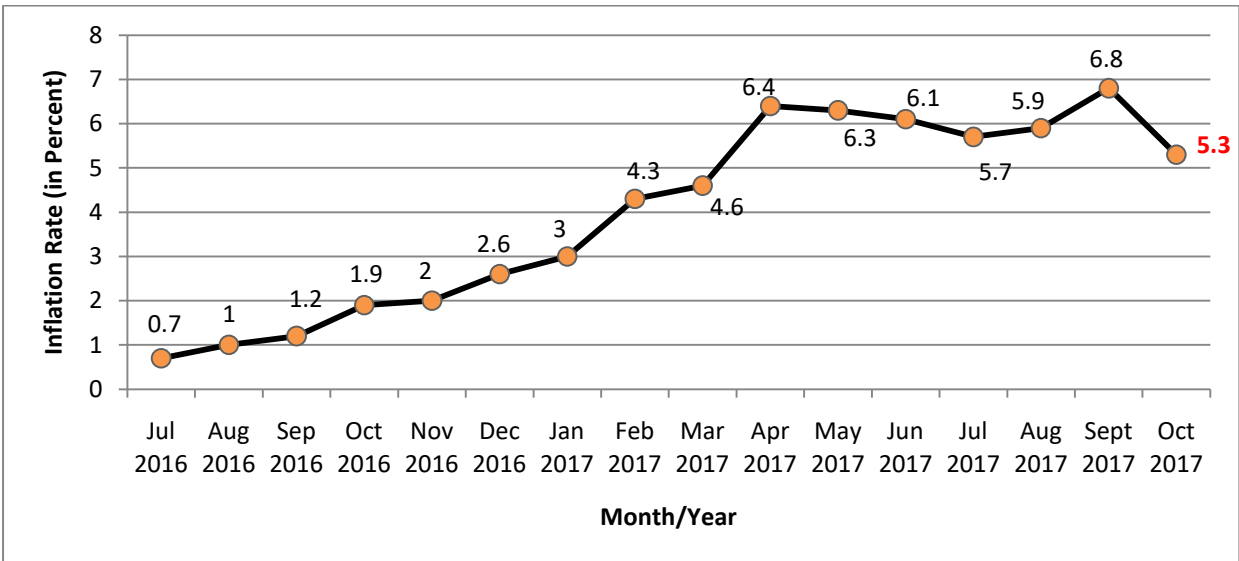
Inflation rate in Camarines Sur decreases to 5.3 percent in October 2017

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The provincial headline inflation rate in October 2017 significantly decreased to 5.3 percent. It was increasing since July 2017 at 5.7 percent, 5.9 percent in August 2017, and 6.8 percent in September 2017, after it has declined in three previous rounds from 6.4 percent in April to 6.3 percent in May and 6.1 percent in June 2017.

**Figure 1. Year-on-Year Headline Inflation Rates in Camarines Sur, All Items:
 July 2016 – October 2017 (2006=100)**



Source: Survey of Retail Prices of Commodities for the Generation of CPI, Philippine Statistics Authority (PSA)

Price Situation: Year- on-Year

On a Year-on-Year comparison, commodity groups under Transport reflected the lowest inflation rate of negative 2.90 percent in October 2017 from 9.67 percent in September 2017. Food and Non-Alcoholic Beverages, Alcoholic Beverages and Tobacco, and Housing, Water, Electricity, Gas and other Fuels, also posted lower inflation rates in October 2017 as shown in Table 1. Moreover, prices of commodities for Furnishings, Household Equipment and Routine Maintenance of the House, Health,

Communication, Recreation and Culture, and Restaurant, Miscellaneous Goods and Services tend to increase at a slower rate than other commodity groups every year.

Price Situation: Month-on-Month

Food and Non-Alcoholic Beverages posted a decrease to negative 0.11 percent in October 2017 from 0.11 percent in September 2017. Alcoholic Beverages and Tobacco also posted slight decrease to negative 0.06 in October 2017 from zero percent in September 2017.

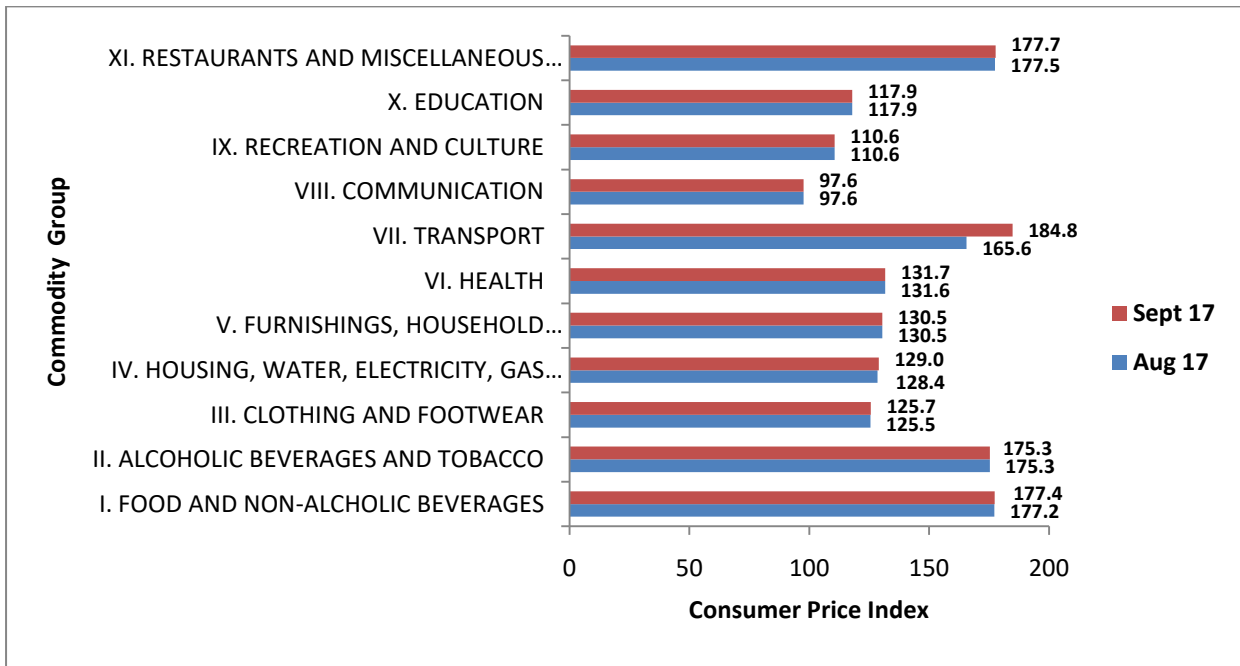
Across Non-Food Groups, Transport commodities posted the biggest decrease in October 2017 with negative 11.31 percent inflation compared with September 2017 posted points of 11.59 percent. Prices of commodities for Housing, Water, Electricity, Gas and other Fuels also went down to 0.16 percent in October 2017 from 0.47 percent in September 2017. Meanwhile, minor increments were noted on the following Commodity Groups: Furnishings, Household Equipment and Routine Maintenance of the House (from 0.00 percent to 0.08 percent), Health (from 0.08 percent to 0.23 percent), Communication (from 0.00 percent to 0.10 percent), and Recreation and Culture (from 0.00 percent to 0.09 percent). The rest of the commodity groups did not show significant changes in October 2017.

Table 1. Headline Inflation Rates in Camarines Sur, by Commodity Group (Year-on-Year and Month-on-Month): September 2017 – October 2017 (2006=100)

Commodity Group	Year on Year		Month on Month	
	Sept 2017	Oct 2017	Sept 2017	Oct 2017
Food and Non-Alcoholic Beverages	8.63	7.79	0.11	-0.11
Alcoholic Beverages and Tobacco	3.30	3.24	0.00	-0.06
Clothing and Footwear	1.29	1.29	0.16	0.00
Housing, Water, Electricity, Gas and other Fuels	6.09	5.47	0.47	0.16
Furnishings, Household Equipment and Routine Maintenance of the House	0.54	0.62	0.00	0.08
Health	1.31	1.46	0.08	0.23
Transport	9.67	-2.90	11.59	-11.31
Communication	1.77	1.88	0.00	0.10
Recreation and Culture	0.55	0.64	0.00	0.09
Education	1.38	1.38	0.00	0.00
Restaurant, Miscellaneous Goods and Services	3.49	3.92	0.11	0.00
Inflation Rate	-	-	6.8	5.3
Purchasing Power of Peso	-	-	0.63	0.63
Consumer Price Index (All Items)	-	-	159.6	158.1

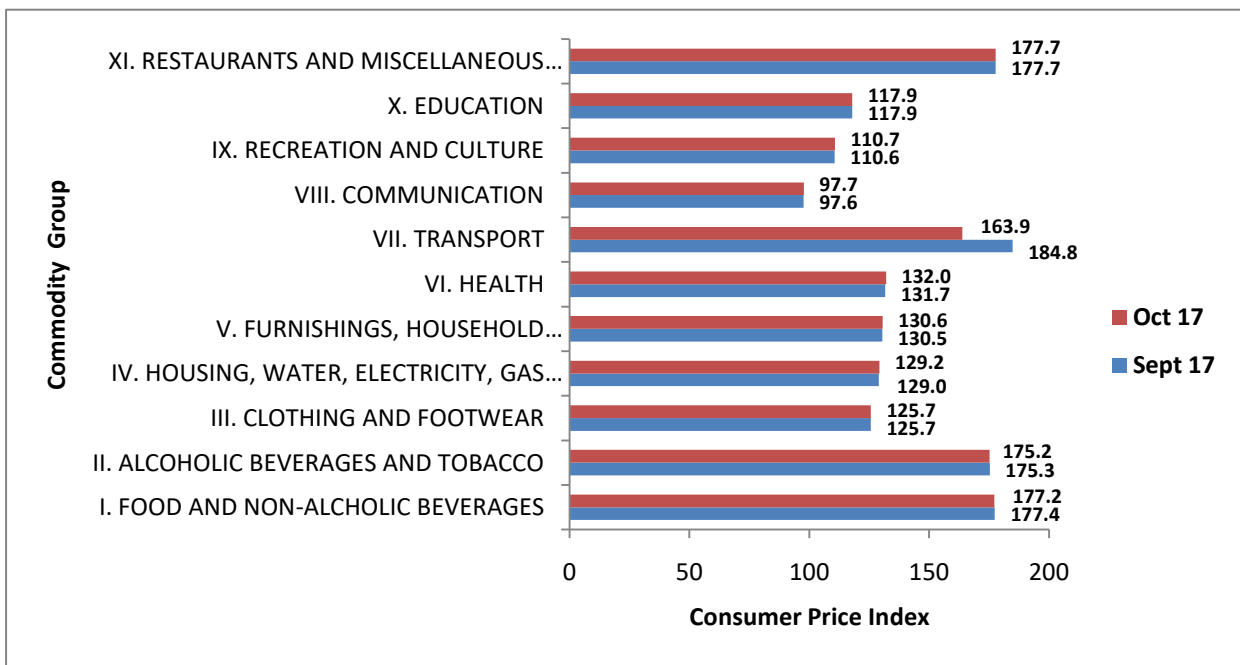
Source: Survey of Retail Prices of Commodities for the Generation of CPI, Philippine Statistics Authority (PSA)

**Figure 2. Consumer Price Index for All Income Households in Camarines Sur:
August 2017 – September 2017 (2006 = 100)**



Source: Survey of Retail Prices of Commodities for the Generation of CPI, Philippine Statistics Authority (PSA)

**Figure 3. Consumer Price Index for All Income Households in Camarines Sur:
September 2017 – October 2017 (2006 = 100)**



Source: Survey of Retail Prices of Commodities for the Generation of CPI, Philippine Statistics Authority (PSA)

As a result of the price trends cited above, the Purchasing Power of Peso (PPP) of the province of Camarines Sur remained at 0.63.

In Camarines Sur, Purchasing Power of Peso for October 2017

$$= (1/158.1)*100$$

$$= 0.63$$

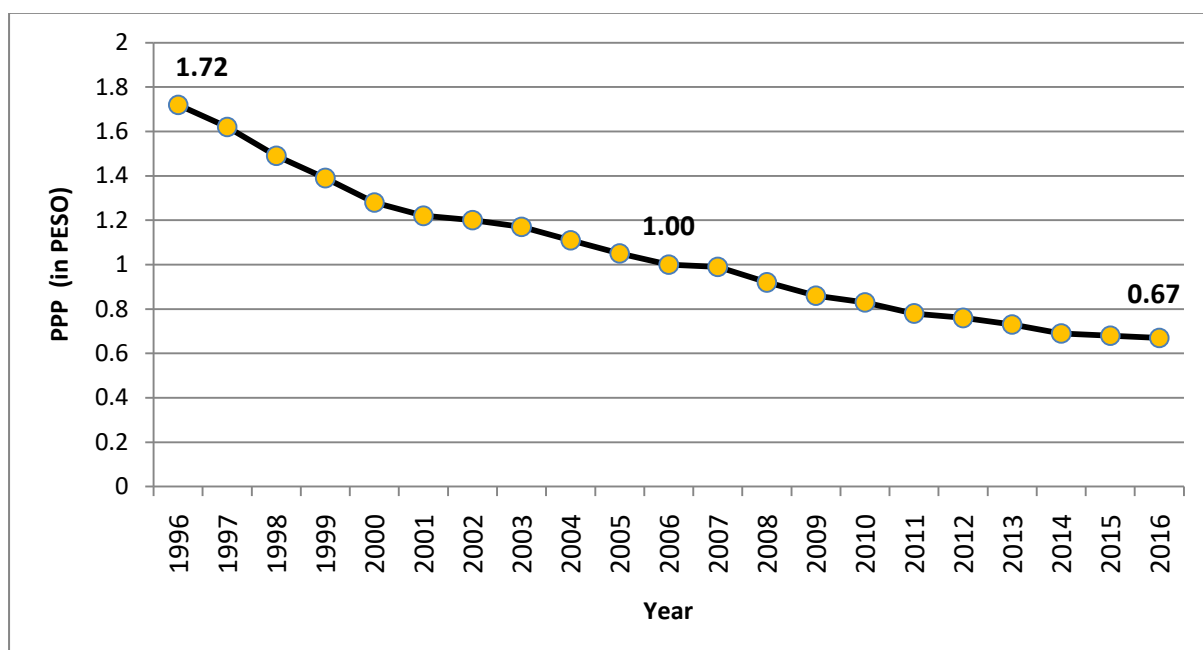
This means that a peso in 2006 is only worth 63 centavos in October 2017, or you may need PhP158.1 to purchase the same volume of goods and services worth P100.00 in 2006.



Purchasing Power of Peso drops to PhP 0.67 in 2016

Purchasing Power of Peso (PPP) is inversely related to inflation rate. Thus, as the inflation rate increases, PPP declines. Figure 4, shows that in Camarines Sur, PPP has been decreasing on the average of 0.0525 annually from 1996 to 2016. The PPP in 2016 was 0.67. This implies that the PhP 1.00 in 2006 as the base year, values only PhP 0.67 in 2016 and was worth PhP 1.72 in 1996.

Figure 5. Purchasing Power of Peso in Camarines Sur: 1996-2016 (2006=100)



Source: Survey of Retail Prices of Commodities for the Generation of CPI, Philippine Statistics Authority (PSA)

TECHNICAL NOTES

CONSUMER PRICE INDEX (CPI)

The CPI is a measure of the changes in the average price level of goods and services that most people buy for their day-to-day consumption. It measures the composite change in the consumer prices of various commodities over time.

COMPONENTS OF CPI:

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 behaviour 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 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 inflation rate is the annual or monthly rate of change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of money.

Headline Inflation rate

The headline inflation rate 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.

Year-On-Year Inflation Rate

Year-On-Year Inflation Rate is the annual percentage change of CPI. For example, the percentage change of CPI between September 2016 and September 2017.

Month-On-Month Inflation Rate

Month-On-Month Inflation Rate is the monthly percentage change of CPI. For example, the percentage changes of CPI between August 2017 and September 2017.

Purchasing Power of Peso (PPP)

The purchasing power of peso (PPP) shows how much 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. For example, the PhP 1.00 in 2006 is valued only at PhP 0.63 in September 2017.

