



SPECIAL RELEASE

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Price Situation in Batanes: March 2021 (Base Year: 2012)

The **Consumer Price Index (CPI)** is an indicator of the change in the average prices of a fixed basket of goods and services commonly purchased by households relative to a base year. Prices are compared to a base year and weighted by the appropriate consumption pattern. The present series uses 2012 as the base year.

- The CPI in Batanes in March 2021 was 132.0. This was lower by 0.3 index point from 132.3 CPI in February 2021 and 7.3 index points higher from 124.7 CPI in March 2020. The difference of the CPI reflects the increase and decrease in the average prices of commodities in the province.

**Figure 1. Consumer Price Index, Batanes: March 2021
(2012=100)**



Source: Philippine Statistics Authority

CPI by Commodity Groups

- Alcoholic Beverages and Tobacco remained to have the highest CPI at 289.1 index points among the commodity groups. Education came second with 200.9 index points and Housing, Water, Electricity, Gas and other Fuels came third at 163.7 index points.
- On the other hand, the three lowest CPI by commodity groups were Health with 94.2 index points, Communication with 102.1 index points and Transport with 110.1 index points.

**Figure 2. Consumer Price Index by Commodity Group, Batanes:
March 2021 (2012=100)**

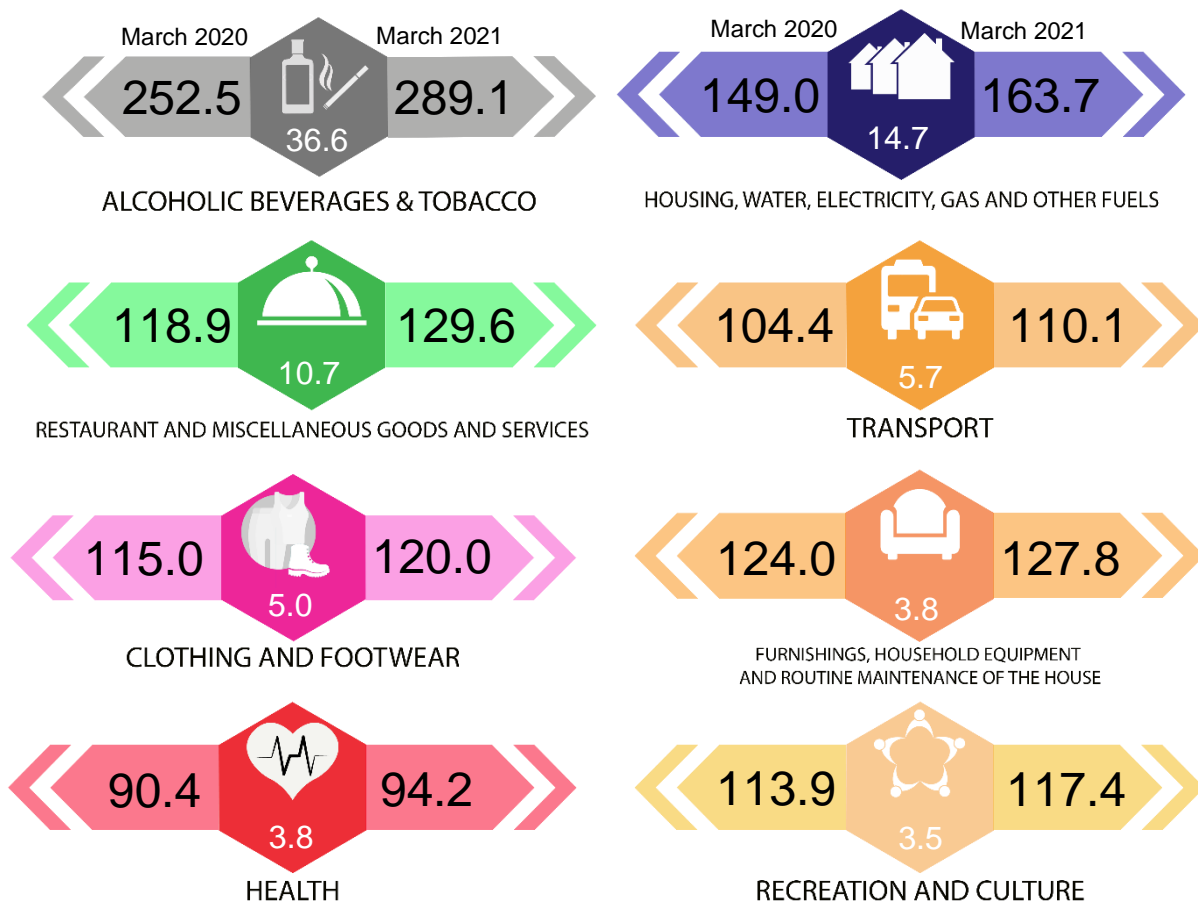


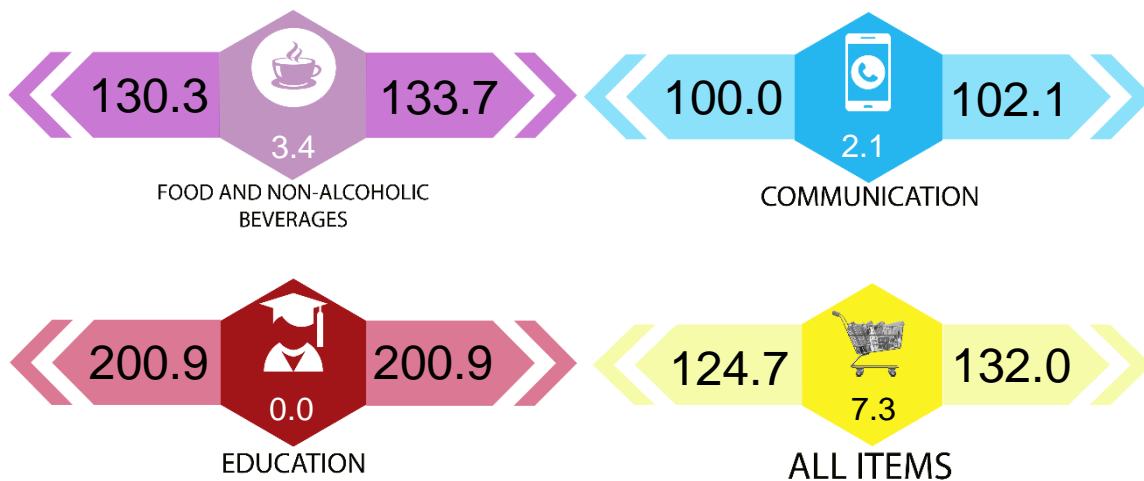


Source: Philippine Statistics Authority

- In terms of the year-on-year changes, Alcoholic Beverages and Tobacco registered the highest increase at 36.6 index points. Increases were also incurred in Housing, Water, Electricity, Gas and Other Fuels (14.7 index points) and Restaurant and Miscellaneous Goods and Services (10.7 index points). Meanwhile, Education still incurred no changes. The rest of the commodity groups reported a minimal increase.

Figure 3. Year-on-Year Consumer Price Index by Commodity Group, Batanes: March 2020 and 2021 (2012=100)



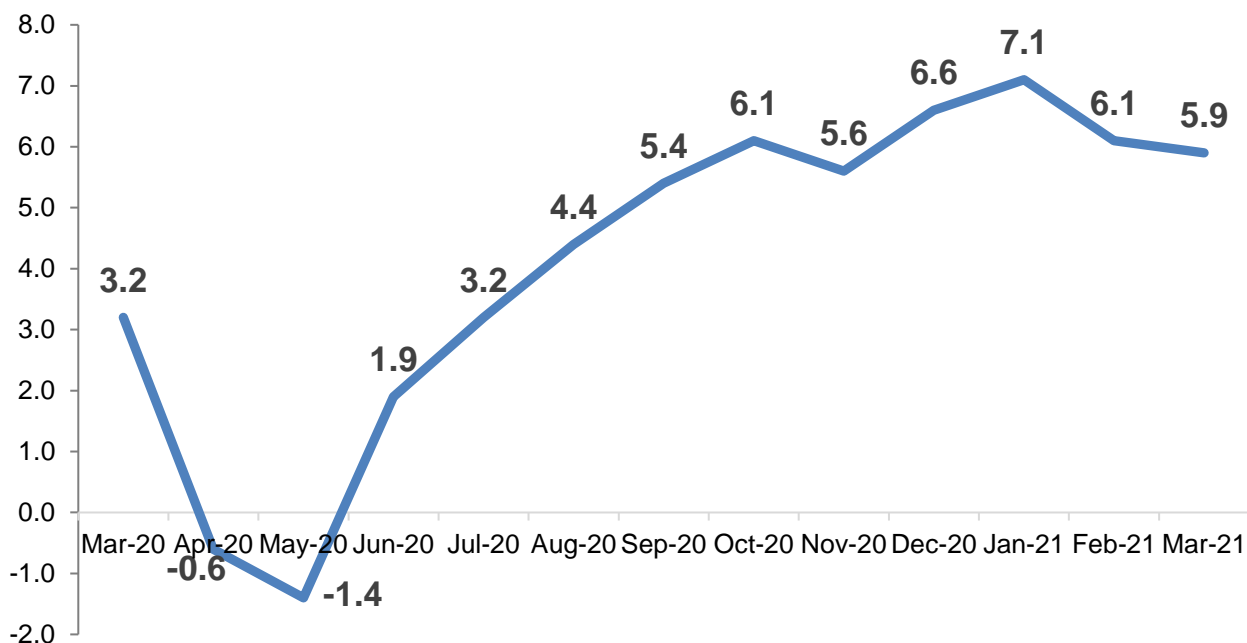


Source: Philippine Statistics Authority

Inflation Rate

- Inflation is a rise in the general level of prices of goods and services in an economy over a period of time. When the general price level rises, each unit of currency buys fewer goods and services.
- A chief measure of price inflation is the inflation rate, the annualized percentage change in CPI over time.

Figure 4. Monthly Inflation Rates, Batanes: March 2020 to March 2021 (2012=100)



Source: Philippine Statistics Authority

- The inflation rate in the province in March 2021 was posted at 5.9 percent. It decreased by 0.2 percentage point compared to 6.1 percent in February 2021 and increased by 2.7 percentage points from 3.2 percent in March 2020.

Inflation Rate by Commodity Group

- The year-on-year changes of the CPI by commodity group revealed that Alcoholic Beverages and Tobacco had the highest inflation rate in March 2021 at 14.5 percent. Housing, Water, Electricity, Gas and other Fuels came second with 9.9 percent inflation rate followed by Restaurants and Miscellaneous Goods and Services with 9.0 percent.
- On the contrary, the three lowest inflation recorded were Education (0.0%), Communication (2.1%) and Food and Non-alcoholic Beverages (2.6%).

Figure 5. Inflation Rates by Commodity Groups, Batanes: March 2021 (2012=100)

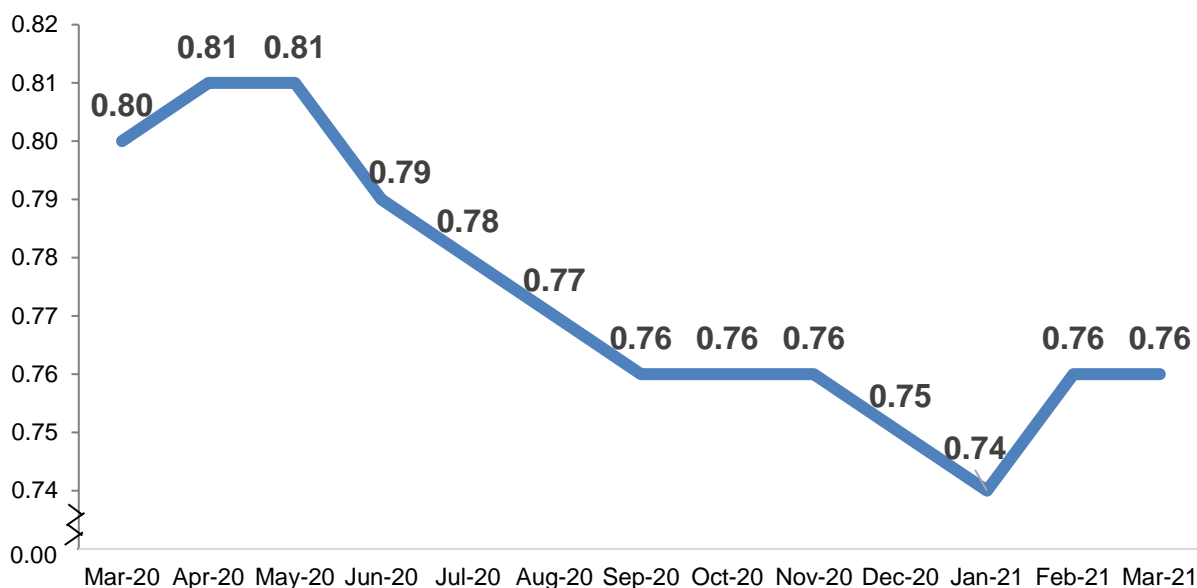


Source: Philippine Statistics Authority

Purchasing Power of Peso (PPP)

- The Purchasing Power of Peso is a measure of the real value of peso in a given period relative to the base year. The nearer the base year to the current period the bigger the value of the peso derived. As the period goes farther from the base year, the value of peso diminishes as this is “eaten up” by the inflationary factors.

**Figure 6. Monthly PPP, Batanes: March 2020 to March 2021
(2012=100)**



Source: Philippine Statistics Authority

- The March 2021 purchasing power of peso is at 76 centavos. This means that one peso in 2012 was worth 76 centavos in March 2021. The PPP decreased from 80 centavos in March 2020 to 76 centavos in March 2021.

Definition of Terms

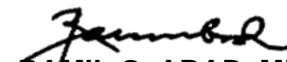
Consumer Price Index (CPI) is a measure of change in the average retail prices of goods and services commonly purchased by a particular group of people in a particular area.

Inflation Rate (IR) is the annual rate of change or year-on-year change in CPI.

Purchasing Power of Peso (PPP) shows how much the peso in the base period is worth another period. It gives an indication of the real value of the peso in a given period relative to the peso value in the base period.

Market Basket refers to a sample of goods and services used to represent all goods and services bought by a particular group of consumers in a particular area.

Base Period, usually a year, is the reference period of the index number. It is the period in which the index is set to 100.


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