



# SPECIAL RELEASE

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## Price Situation in Batanes: July 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 July 2021 was 132.2. This was lower by 1.1 index points from 133.3 CPI in June 2021 and 4.7 index points higher from 127.5 CPI in July 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: July 2021  
(2012=100)**



Source: Philippine Statistics Authority

## CPI by Commodity Groups

- Alcoholic Beverages and Tobacco remained to have the highest CPI at 290.0 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 163.6 index points.
- On the other hand, the three lowest CPI by commodity groups were Health with 94.6 index points, Communication with 102.1 index points and Transport with 108.8 index points.

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

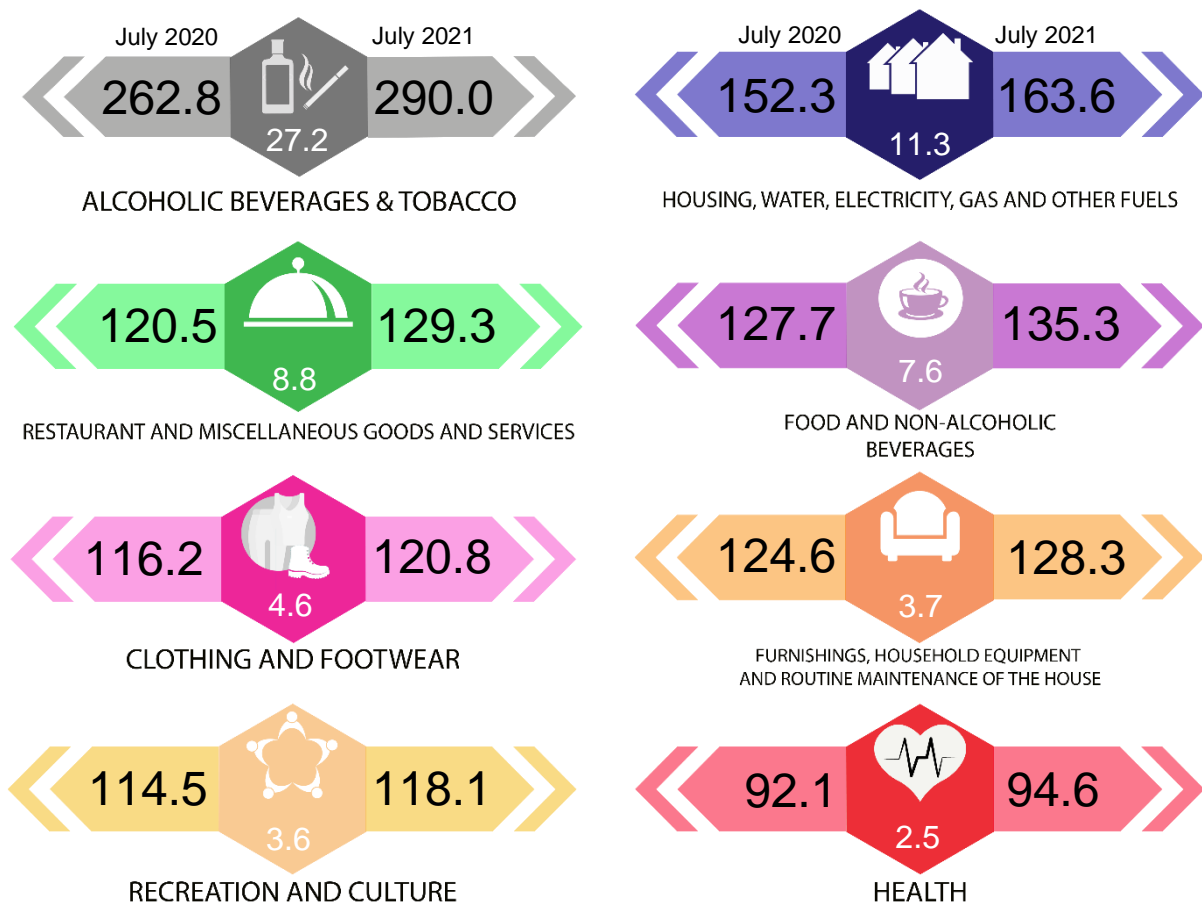


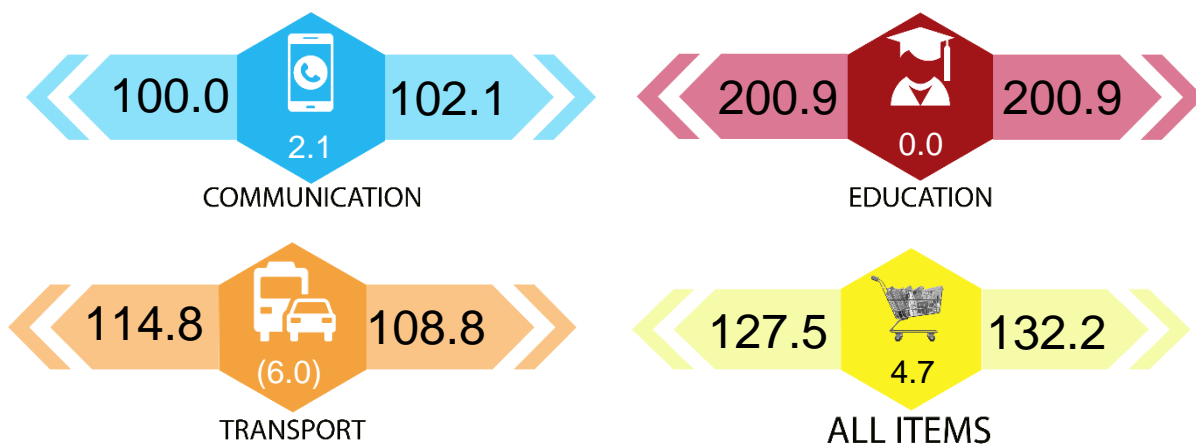


Source: Philippine Statistics Authority

- In terms of the year-on-year changes, Alcoholic Beverages and Tobacco registered the highest increase at 27.2 index points. Increases were also incurred in Housing, Water, Electricity, Gas and Other Fuels (11.3 index points), and Restaurant and Miscellaneous Goods and Services (8.8 index points). On the other hand, Transport decreased by 6.0 index points. Meanwhile, Education still incurred no changes.

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



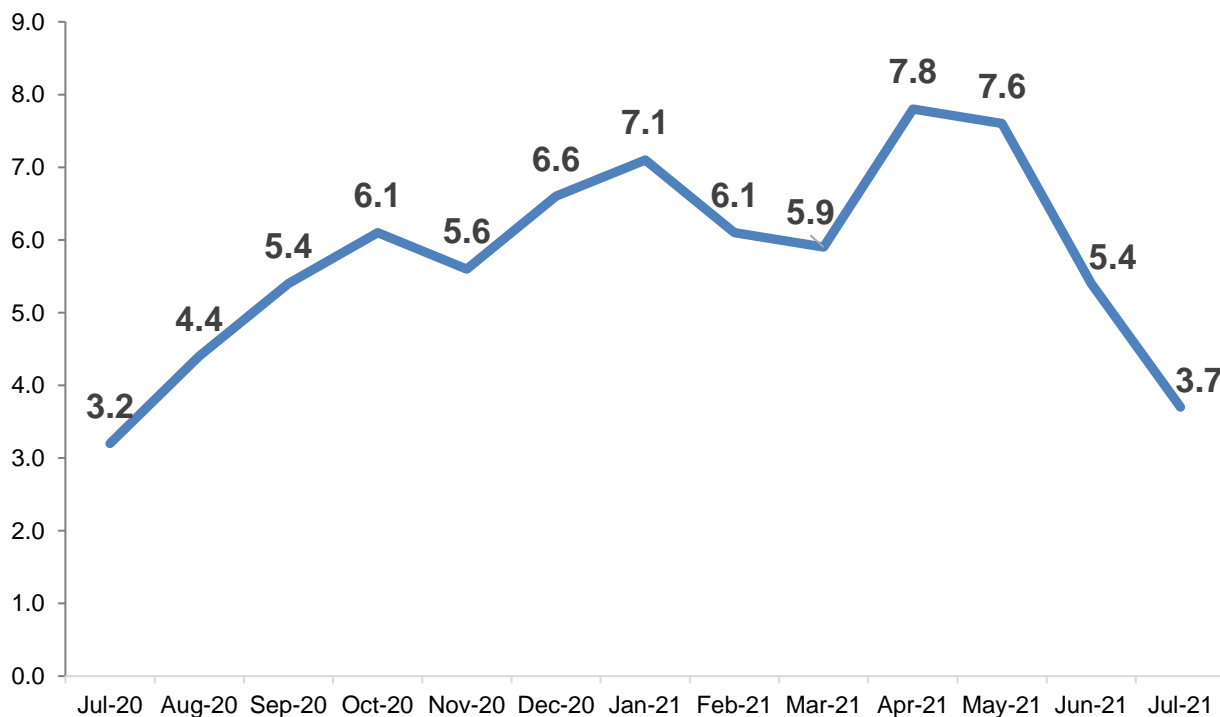


Source: Philippine Statistics Authority

### 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: July 2020 to July 2021 (2012=100)**



Source: Philippine Statistics Authority

- The inflation rate in the province in July 2021 was posted at 3.7 percent. It decreased by 1.7 percentage points compared to 5.4 percent in June 2021 and increased by 0.5 percentage points from 3.2 percent in July 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 July 2021 at 10.4 percent. Housing, Water, Electricity, Gas and Other Fuels came second with 7.4 percent inflation rate followed by Restaurants and Miscellaneous Goods and Services with 7.3 percent.
- On the contrary, Transport posted a deflation of 5.2 percent. Meanwhile, Education posted no changes since the start of 2021.

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

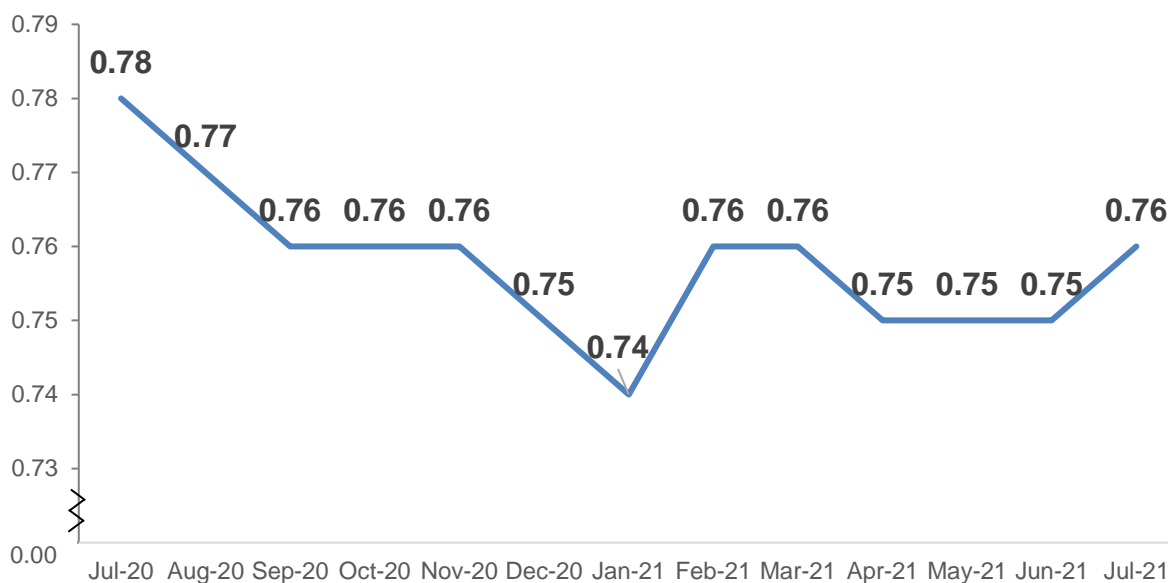


Source: Philippine Statistics Authority

## 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: July 2020 to July 2021  
(2012=100)**



Source: Philippine Statistics Authority

- The July 2021 purchasing power of peso is at 76 centavos. This means that one peso in 2012 was worth 76 centavos in July 2021. The PPP decreased from 78 centavos in July 2020 to 76 centavos in July 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.

**RAMIL G. ABAD, MBA, MPopS**  
Chief Statistical Specialist