PRICES

Consumer Price Index (CPI) – a general measure of average monthly and annual changes in the retail prices of commodities commonly purchased by households relative to a base year and weighted by the consumption pattern of the people in the Philippines.

The index has 2018 as the base year, replacing the 2012-based CPI series. The weights for the 2018-based CPI were derived from the expenditure data of the 2018 Family Income and Expenditure Survey (FIES) conducted by the Philippine Statistics Authority (PSA). The 2018-based CPI uses a straightforward computation of monthly average prices of commodities, chain method for elementary item indices, geometric mean method at the lowest level (subclass level) of aggregation of price indices and weighted arithmetic mean at the higher level of aggregation of price indices in the CPI series.

The CPI series are computed for the Philippines by region, which are then grouped under the National Capital Region (NCR) and Areas Outside NCR (AONCR). Data collection and computations are undertaken by the PSA.

2018 CPI WEIGHTS FOR ALL INCOME HOUSEHOLDS

	Philippines	**National Capital Region (NCR)**	**Areas Outside NCR (AONCR)**
All Items	100.0	20.3	79.7
Food and Non-Alcoholic Beverages	37.7	6.0	31.8
Alcoholic Beverages and Tobacco	2.2	0.4	1.8
Clothing and Footwear	3.1	0.5	2.6
Housing, Water, Electricity, Gas, and Other Fuels	21.4	5.6	15.8
Furnishing, Household Equipment and Routine Household Maintenance	3.2	0.7	2.6
Health	2.9	0.5	2.4
Transport	9.0	1.6	7.4
Information and Communication	3.4	0.9	2.5
Recreation, Sport and Culture	1.0	0.2	0.8
Education Services	2.0	0.5	1.5
Restaurants and Accommodation Services	9.6	2.6	7.0
Financial Services	0.0	0.0	0.0

Inflation Rate – the percentage annual rate of change or the year-on-year change in the CPI. It indicates how fast or slow the CPI increases or decreases.

Purchasing Power of the Peso (PPP) – indicates what fraction of the peso in the base period is the value of the peso in the current period or the period under review. It is computed as the reciprocal of the CPI (all items) for the period under review.

General Retail Price Index (GRPI) – measures monthly changes of the prices at which retailers dispose of their goods to consumers and end-users relative to a base year.

The GRPI is an indicator used to monitor the economic situation of the retail trade sector. It is also used as a deflator of the National Accounts especially on the retail trade sector and serves as a basis of forecasting business in the retail trade.

The latest GRPI series has 2012 as the base year, replacing the 2000-based series. The short-term relative update method in computing the price relative of the item and geometric mean for the aggregation of the price relatives at the subgroup level are applied in the 2012 GRPI series. For the computation of the monthly average price of the item and aggregation at the higher levels of price indexes, the 2012 GRPI still adopts the straightforward computation of monthly average price of the item and weighted arithmetic mean of at the higher levels of aggregation of price indexes. The weights utilized are derived from 2006 Census of Philippine Business and Industry and the 2006 Input-Output table.

Price data used in the GRPI, to a large extent, come from the same sources of data used for the construction of the NCR CPI. These are collected from various retail outlets across NCR. The RPI market basket contains the same food and non-food commodities included in the CPI with an expanded list of construction materials but excludes light, water, rentals, wages and other service items.

General Wholesale Price Index (GWPI) – measures monthly changes in the general price level of commodities that flow into the wholesale trade intermediaries.

The GWPI series has 2012 as the base year, replacing the 1998-based series. The short-term relative update method in computing the price relative of the item and geometric mean for the aggregation of the price relatives at the subgroup level are applied in the 2012 GRPI series. For the computation of the monthly average price of the item and

aggregation at the higher levels of price indexes, the 2012 GWPI still adopts the straightforward computation of monthly average price of the item and weighted arithmetic mean of at the higher levels of aggregation of price indexes. The weights utilized are derived from 2006 Census of Philippine Business and Industry and the 2006 Input-Output table.

Producer Price Index (PPI) – PPI for manufacturing is a composite figure of producers' prices of representative commodities included in the market basket. The PPI serves various purposes, the most important of which are the following:

a) measures monthly or yearly changes in the producers' prices of key commodities in the manufacturing sector;

b) serves as deflator to Value of Production Index (VaPI) in the estimation of Volume of Production Index (VoPI); and

c) serves as deflator in the estimation of manufacturing production in real terms (at constant prices) in the system of national accounts.

The PPI series has 2018 as the base year, replacing the 2000-based series.

The major changes in the rebasing are: (1) changes in the industry structure or classification and (2) changes in the relevance of the industries as measured by the weights. The industry classification for the 2018-based series follows the 2009 Philippine Standard Industry Classification (PSIC).

For the rebased series, the weights at the base year were computed based on the results of the 2018 Census of Philippine Business and Industry (CPBI). The results of the Annual Survey of Philippine Business and Industry (ASPBI) will be used to update the weights annually until the next rebasing.

Philippine Stock Exchange Index (PSEi) – is the main index of the Philippine Stock Exchange (PSE). It is composed of a fixed basket of 30 companies, whose selection is based on a specific criterion. The PSEi provides a snapshot of the market's overall condition by gauging changes in the stock prices of select listed companies. There are six other sub-indices that provide a useful measurement of the sectoral performance, namely: Financial Index, Industrial Index, Holding Firms Index, Property Index, Services Index, and Mining and Oil Index.