



REPUBLIC OF THE PHILIPPINES
PHILIPPINE STATISTICS AUTHORITY BOARD

**PSA Board Resolution No. 13
Series of 2018**

**REBASING OF THE CONSTRUCTION MATERIALS
WHOLESALE PRICE INDEX (CMWPI)
FROM 2000 TO BASE YEAR 2012 AND WITH SOME REVISIONS
IN THE METHODOLOGY**

WHEREAS, the PSA Board Resolution No. 01, Series of 2017–146 (Approving the Synchronized Rebasing of Price Indices to Base Year 2006), mandates the rebasing of the price indices every six years;

WHEREAS, the rebasing of the Consumer Price Index (CPI) from 2006 to 2012 was approved by the PSA Board on 13 February 2018 through PSA Board Resolution No. 02, Series of 2018;

WHEREAS, the Construction Materials Wholesale Price Index (CMWPI), one of the most important economic indicators designed to measure changes in the average wholesale prices of selected construction materials, is still based on 2000 prices;

WHEREAS, the current commodities in the market basket of the CMWPI are the prevailing commodities in the market in 2000. However, changes have taken place over a period of 12 years affecting the relevance of the commodities in the market basket;

WHEREAS, rebasing the CMWPI is necessary since some of the construction materials in 2000 market basket no longer exist, or no longer available in the market due to changes in technology and preferences. Thus, rebasing the CMWPI ensures that it is reflective of the current situation;

WHEREAS, the new base period for CMWPI is 2012 for consistency with the 2012-based CPI. The 2012-based CMWPI uses the total bills of construction materials in 2012 from the costs of different lateral and vertical construction projects of the Department of Public Works and Highways, the Subdivision and Housing Developers Association and the National Housing Authority;

WHEREAS, similar to the 2012-based CPI, 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 commodity group level are applied in the 2012 CMWPI series. For the computation of the monthly average price of the item and aggregation of all commodity groups index, the 2012 CMWPI still adopts the old method, that is straightforward computation of monthly average price of the item and weighted arithmetic mean of commodity groups' indexes;

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WHEREAS, the Interagency Committee on Price Statistics (IACPS) in its meeting on 19 September 2018 agreed to recommend to the PSA Board the methodology in rebasing the CMWPI to base year 2012 and use straightforward computation of monthly average prices of items, short-term relative update method in computing the price relative of the item, geometric mean for the aggregation of the price relatives of the items at the commodity group level and weighted arithmetic mean for the aggregation of all commodity groups index in the 2012-based CMWPI series (Annex BR-13-20181203-01);

NOW, THEREFORE, BE IT RESOLVED, that the PSA Board approves the rebasing of the CMWPI to year 2012 which uses straightforward computation of monthly average prices of items, short-term relative update method in computing the price relative of the item, geometric mean for the aggregation of the price relatives of the items at the commodity group level and weighted arithmetic mean for the aggregation of all commodity groups index in the 2012-based CMWPI series as recommended by the IACPS for utilization of results by all concerned agencies

RESOLVED FURTHER, that the PSA shall:

1. Start releasing the 2012-based CMWPI series in January 2019 covering the period January 2012 to December 2018;
2. Continue releasing the 2000-based CMWPI until June 2019 series; and
3. Complete the computation of backcasted values of the 2012-based CMWPI series from January 1990 to December 2011 in July 2019.

Approved this 13th day of December, in Pasig City.



ERNESTO M. PERNIA
Secretary of Socioeconomic Planning
National Economic Development Authority
Chairperson, PSA Board



Attested by:

Lisa Grace S. Bersales
LISA GRACE S. BERSALES
Undersecretary
National Statistician and Civil Registrar General
Chairperson, PSA Board Secretariat

