

Retail Price Index PRIMER



GENERAL RETAIL PRICE INDEX (GRPI)

What is the General Retail Price Index (GRPI)?

The GRPI is a statistical measure of the changes in the prices at which retailers dispose of their goods to consumers or end-users relative to a base year.

What are the uses of GRPI?

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 serve as a basis for forecasting business in the retail trade.

How is the GRPI computed?

The computation of GRPI involves consideration of the following important points:

- a. **Base Period** - identifies the base period with which the index relates. The index for the year is equal to 100. The current base period used is 2000.
- b. **Market Basket** – refers to the sample commodities that represent a large variety of commodities traded in the retail market. The market basket used in the construction of the 2000 RPI was drawn from the results of the updating activity for 2000 CPI market basket in the National Capital Region (NCR). Another basis of the market basket was the materials listed in 2000 Input-Output Survey of Philippine Business and Industry (IOSPBI) in the retail trade sector. The items reported in the revenue portion of the 2000 IOSPBI questionnaires of large sample retail establishments in NCR were compiled. Only those items that have high percentage share in the total revenue of the large sample establishments were included in the market basket.

The market basket of the 2000-based GRPI consists of 500 commodities. It follows the same classification and grouping as that of the 1993 Philippine Standard Commodity

Classification (PSCC). These items are classified into eight (8) major groups. The number of commodities/items in the GRPI market basket by commodity group is shown on the table.

Number of Items by Commodity Group for GRPI (2000=100)	
Commodity Group	Number of Items
All Items	500
A. Food	143
B. Beverages and Tobacco	16
C. Crude Materials, Inedible except Fuels	5
D. Mineral Fuels, Lubricants and Related Materials	8
E. Chemicals, including Animal and Vegetable Oils and Fats	75
F. Manufactured Goods Classified Chiefly by Materials	98
G. Machinery and Transport Equipment	42
H. Miscellaneous Manufactured Articles	113

- c. **Weights** – consider the relative importance of each index item in the total index. The 2000-based GRPI uses the 2000 Input-Output (I-O) table as basis for its weights and are based on the sum of local production valued at 2000 producer's prices, total imports and retail trade and transport mark-ups.

Below is the summary table showing the weights in computing the GRPI by major commodity group:

Weights by Commodity Group for GRPI (2000=100)	
Commodity Group	Weights
All Items	100.0000
A. Food	33.2465
B. Beverages and Tobacco	4.2447
C. Crude Materials, Inedible except Fuels	1.8524
D. Mineral fuels, Lubricants and Related Materials	2.8023
E. Chemicals, including Animal and Vegetable Oils and Fats	7.9884
F. Manufactured Goods Classified Chiefly by Materials	14.3446
G. Machinery and Transport Equipment	12.2358
H. Miscellaneous Manufactured Articles	23.2853

CONSTRUCTION MATERIALS RETAIL PRICE INDEX (CMRPI)

What is the Retail Price Index for Construction Materials (CMRPI)?

The CMRPI is a variant of the GRPI that measures the changes in the average retail prices of construction materials.

The market basket of the CMRPI is composed of 102 commodities and classified into seven (7) major groups:

Number of Items by Commodity Group for CMRPI (2000=100)

Commodity Group	Number of Items
All Items	102
A. Carpentry Materials	19
B. Electrical Materials	23
C. Masonry Materials	17
D. Painting Materials and Related Compounds	15
E. Plumbing Materials	18
F. Tinsmithry Materials	7
G. Miscellaneous Construction Materials	3

The weights for the CMRPI are also based on the 2000 I-O table.

Below are the weights used in the computation of the CMRPI:

Weights by Commodity Group for CMRPI (2000=100)

Commodity Group	Weights
All Items	12.6896
A. Carpentry Materials	3.6815
B. Electrical Materials	3.4041
C. Masonry Materials	1.1457
D. Painting Materials and Related Compounds	1.5648
E. Plumbing Materials	0.8146
F. Tinsmithry Materials	1.4839
G. Miscellaneous Construction Materials	0.5950

- d. **Sample Establishments/Outlets** – provide the retail price data for the commodities in the market basket.
- e. **Geographic Coverage** - the present GRPI and CMRPI series cover only the NCR or the Metro Manila area.
- f. **Index Method** – gives the formula used in computing the index number. In computing the GRPI and CMRPI, the weighted arithmetic mean of price relatives, Laspeyre's formula with fixed base year period and weights is used.

What agencies are responsible for the generation of the GRPI and CMRPI?

The National Statistics Office (NSO) and the Bureau of Agricultural Statistics collect price data for the index. The BAS is responsible for collecting prices for agricultural commodities in NCR. The NSO, on the other hand, collects prices for the non-agricultural commodities including selected construction materials in NCR.

The NSO computes the GRPI and CMRPI.

How many price quotations are collected and where and when are prices collected for the market basket?

Four price quotations are collected for each of the commodities in the market basket. Price collection for food is done weekly in ten markets. For tobacco items, seven markets are surveyed monthly while for the other non-food commodities, the surveys are done twice a month in twelve markets.

Meanwhile, price collection on selected construction materials is done monthly in sixteen retail markets in NCR.

The arithmetic average of these price quotations are used in the computation of the index.

How often are the GRPI and CMRPI released?

The GRPI is computed monthly and comes out 36 days after the reference month while the CMRPI is available 15 days after the reference month.

How are the price indices information made available to the public?

The RPI series is posted on the NSO website at www.census.gov.ph upon its release and can be made available to the public in soft copies upon request. Data are also available at the Economic Indices and Indicators Division (EIID), 4/F, Soledad Building II, Ramon Magsaysay Boulevard, Sta. Mesa, Manila with telephone numbers 7153347 and 7163935.

For further inquires, write, call or visit:

NATIONAL STATISTICS OFFICE
P.O. Box 779, Manila, Philippines

<http://www.census.gov.ph>

Tel. Nos. 7137081 / 7156430 or
any Regional/Provincial office nearest you

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