

GENERAL WHOLESALE PRICE INDEX (GWPI)

What is the General Wholesale Price Index (GWPI)?

The general wholesale price index (GWPI) is an indicator used to measure the changes in the price levels of commodities that flow into the wholesale trade intermediaries.

Wholesale price refers to the price of commodity transacted in bulk for further resale or processing. It is the actual “spot” transaction price received usually by the wholesalers, distributors or marketing agents for large lots but net of discounts, allowances and rebates. It is the sum of the producer price, wholesale trade margin, tax mark-ups and distribution cost of the wholesaler.

What are the uses of GWPI?

The index is a guide for economic analysis and policy formulation, and is used as basis for price adjustments in business contracts and projects.

Specifically, wholesale price index is used as a deflator to express value series in real terms. It measures the change in actual volume of transaction by removing the effects of price changes. It may be used as basis for forecasting business and economic conditions.

How is the GWPI computed?

The GWPI is computed using the Laspeyres method of index computation. It has the following important considerations.

- Base Period.** This is a reference date or simply a convenient benchmark to which a continuous series of index number can be related. The index for the year is equal to 100. The current base period of the GWPI is 1998 and to be rebased to 2006.
- Market Basket.** This refers to sample commodities that represent a large variety of commodities traded in the wholesale market. The basket consists of locally produced commodities and imported goods for resale. The current series (1998-based) consists of 437 commodities in Luzon, 302 commodities in Visayas, and 372 commodities in Mindanao.
- Weights.** The weights consider the relative importance of each item in the total index. The basis of the weights for the 1998-based WPI is the 1994 Input-Output table on local production valued at producer’s prices plus imports plus estimated values of wholesale trade and transport mark-ups. Meanwhile, the 1994 Census of Establishments conducted by the former

National Statistics Office (NSO) now Philippine Statistics Authority (PSA) was used as basis for the corresponding weights for the areas covered. The percentage contribution of each of these areas to the total wholesale trade transaction was computed.

Weights by Commodity Group for GWPI (1998=100)

| COMMODITY GROUP | PHILIPPINES | LUZON | VISAYAS | MINDANAO |
|---|------------------|-----------------|----------------|-----------------|
| ALL ITEMS | 100.00000 | 79.73367 | 9.44202 | 10.82431 |
| A. FOOD | 36.03666 | 28.51825 | 3.39246 | 4.12595 |
| B. BEVERAGES AND TOBACCO | 4.32913 | 3.38005 | 0.46006 | 0.48902 |
| C. CRUDE MATERIALS, INEDIBLE EXCEPT FUELS | 2.44286 | 2.14017 | 0.21180 | 0.09089 |
| D. MINERAL FUELS, LUBRICANTS AND RELATED MATERIALS | 8.61595 | 7.19030 | 0.69107 | 0.73458 |
| E. CHEMICALS INCLUDING ANIMAL & VEGETABLE OILS & FATS | 8.21496 | 6.30154 | 1.00654 | 0.90688 |
| F. MANUFACTURED GOODS CLASSIFIED CHIEFLY BY MATERIALS | 16.91699 | 13.77781 | 1.32796 | 1.81122 |
| G. MACHINERY AND TRANSPORT EQUIPMENT | 14.2636 | 11.25821 | 1.37657 | 1.62882 |
| H. MISCELLANEOUS MANUFACTURED ARTICLES | 9.17985 | 7.16734 | 0.97556 | 1.03695 |

- Geographic coverage.** The current series covers wholesale trade intermediaries in the National Capital Region (NCR) to represent Luzon area, Cebu City and Davao City, to represent Visayas and Mindanao, respectively.
- Classification Standards.** The commodities are classified according to the 1993 Philippine Standard Commodity Classification (PSCC). For the geographic classification, the GWPI follows the 2015 Philippine Standard Geographic Classification.

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

Each commodity in the market basket has at most six price quotations taken from six different wholesale sample outlets.

During the reference month, price collection for agricultural food items/unprocessed food items is done weekly every Thursday/Friday; for processed food items and beverages, during

the 2nd and 4th week; and for tobacco and non-food items, during the 4th week.

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

How often is the GWPI released?

The GWPI is computed by the PSA on a monthly basis. It is available forty-five days after the reference month. Available series are from 1998 to present.

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

The GWPI series are posted on the PSA website at www.psa.gov.ph upon their release and can be made available to the public in soft copies upon request. Data are also available at the Price Statistics Division (PSD), 16th Floor, Eton Cyberpod Centris Three, EDSA cor. Quezon Ave., Quezon City (Telephone Number: 3761959).

For further inquiries, write, call or visit:

PHILIPPINE STATISTICS AUTHORITY

P.O. Box 779, Manila, Philippines

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

Tel. No. 4626600 loc. 804 or

any Regional/Provincial office nearest you

PSA ON THE AIR

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PRIMER



Republic of the Philippines

PHILIPPINE STATISTICS AUTHORITY