

WHOLESALE PRICE INDEX

NSO

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Philippines National Statistics Office

GENERAL WHOLESALE PRICE INDEX (GWPI)

What is the General Wholesale Price Index (GWPI)?

The general wholesale price index (GWPI) is an indicator designed 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 vital guide in economic analysis and policy formulation, and is used as basis for price adjustments in business contracts and projects. It also intended to serve as an additional source of information for comparison in the international front.

Specifically, wholesale price statistics are used as a deflator to express value series in real terms, which is measuring the change in actual volume of transaction by removing the effects of price changes; and a basis for forecasting business and economic conditions.

How is the GWPI computed?

The following are considered in the computation of the GWPI:

- Base Period.** The period/year with which the index relates. The index for the year is equal to 100. The present GWPI series uses 1998 as the base period.
- 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. The commodities are classified according to the Philippine Standard Commodity Classification (PSCC).
- 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 National Statistics Office (NSO) 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

- Formula.** The formula used in computing the GWPI is the weighted arithmetic mean of price relatives, the Laspeyre’s formula with a fixed base year period weights.
- 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.

What agencies are responsible for the generation of the GWPI?

The NSO and the Bureau of Agricultural Statistics (BAS) collect price data for the index. The BAS is responsible for collecting prices of agricultural commodities in NCR only.

The NSO, on the other hand, collects prices of all commodities in Cebu City and Davao City.

The NSO computes the GWPI.

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 NSO on a monthly basis. It is available fifty-five days after the reference month. Available series are from 1998 to present.

Wholesale Price Index for Construction Materials (CMWPI)

What is the Wholesale Price Index for Construction Materials (CMWPI)?

The CMWPI is a variant of the GWPI that measures the changes in the average wholesale prices of construction materials. It is used for the computation of price escalation of construction materials for various government projects as indicated in the Presidential Decree (PD) 1594.

How is the CMWPI computed?

Like the GWPI, the following are considered in the computation of the CMWPI:

- a. **Base Period.** The current series uses 2000 as the base year.
- b. **Market Basket.** The current CMWPI market basket considered those construction materials prevailing in 2000. The market basket for the 2000-based series includes 102 items.

A technical working group composed of representatives from the Department of Public Works and Highways, National Housing Authority, Subdivision and Housing Developers Association, Incorporated, Construction Industries Association of the Philippines of the Department of Trade and Industry

(DTI), Philippine Contractors Association, National Statistical Coordination Board, Bangko Sentral ng Pilipinas, National Economic and Development Authority and NSO together with the experts from the Housing and Land Use Regulatory Board reviewed and finalized the composition of the market basket and the weights for each commodity group. Technical assistance was also provided by the representatives from the Department of Transportation and Communication and Bureau of Product Standards of DTI.

- c. **Weights.** The weights for the 2000-based CMWPI utilized the total bill of materials in the various construction projects in 2000. It represents the total weight of the series and is equivalent to 100 percent. The cost of all the materials under a particular subgroup was taken as the cost of materials of that subgroup. The percentage of the cost of these materials in the subgroup to the total cost of materials represents the weight of each subgroup.

Weights by Commodity Group for CMWPI (2000=100)	
Commodity Group	Weights
A. All Items	100.000
B. Sand and Gravel	1.567
C. Concrete Products	43.870
D. Cement	2.259
E. Lumber	1.219
F. Plywood	1.123
G. Fuels and Lubricants	9.091
H. Asphalt	0.356
I. Glass and Glass Products	0.354
J. Hardware	0.580
K. PVC Pipes	1.171
L. Plumbing Fixtures	5.909
M. Painting Works	2.598
N. Reinforcing Steel	12.131
O. Structural Steel	4.797
P. G.I. Sheets	1.106
Q. Electrical Works	2.615
R. Tileworks	2.565
S. Doors, Jams and Steel Casement	6.689

- d. **Formula.** The formula used in constructing the CMWPI is the weighted arithmetic mean of price relatives, the Laspeyre's formula with a fixed base period and weights.
- e. **Geographic coverage.** The current series covers wholesale trade intermediaries of construction materials in the NCR only.

What agency is responsible for the collection of monthly prices & computation of monthly index?

The NSO does the collection of prices and computation of monthly indices.

How are prices collected?

Prices are collected through personal interviews or actual price quotations from selected sample outlets in NCR. Collection of prices is done during the 1st to 3rd week of the reference month.

How often is the CMWPI released?

The CMWPI is computed by the NSO on a monthly basis. It is available fifteen days after the reference month. Available series are from 1997 to present.

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

The GWPI and CMWPI series are posted on the NSO website at www.census.gov.ph upon their 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

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