

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 serves as a basis of forecasting business in the retail trade.

How is the GRPI computed?

The GRPI is computed using the weighted arithmetic mean of price relatives, a variant of Laspeyres formula with fixed base year period weights.

- a. **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 GRPI 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 sample large establishments were included in the market basket.

The market basket of the 2000-based GRPI consists of 500 commodities. 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

- d. **Sample Establishments/Outlets** – These outlets provide the retail price data for the commodities in the market basket.
- e. **Geographic Coverage** - the present GRPI series cover only the NCR or the Metro Manila area.
- f. **Classification Standard.** The GRPI 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.

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 nine 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.

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

How often is the GRPI released?

The GRPI is computed monthly and comes out thirty days after the reference month.

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

The GRPI series is posted on the PSA website at www.psa.gov.ph upon its 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

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any Regional/Provincial office nearest you

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General Retail Price Index PRIMER



Republic of the Philippines

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