

SPECIAL RELEASE

Summary Inflation Report
Consumer Price Index: Davao del Norte
(2018=100)
July 2023

Date of Release : 07 August 2023
 Reference No. : SRDDN2023-017

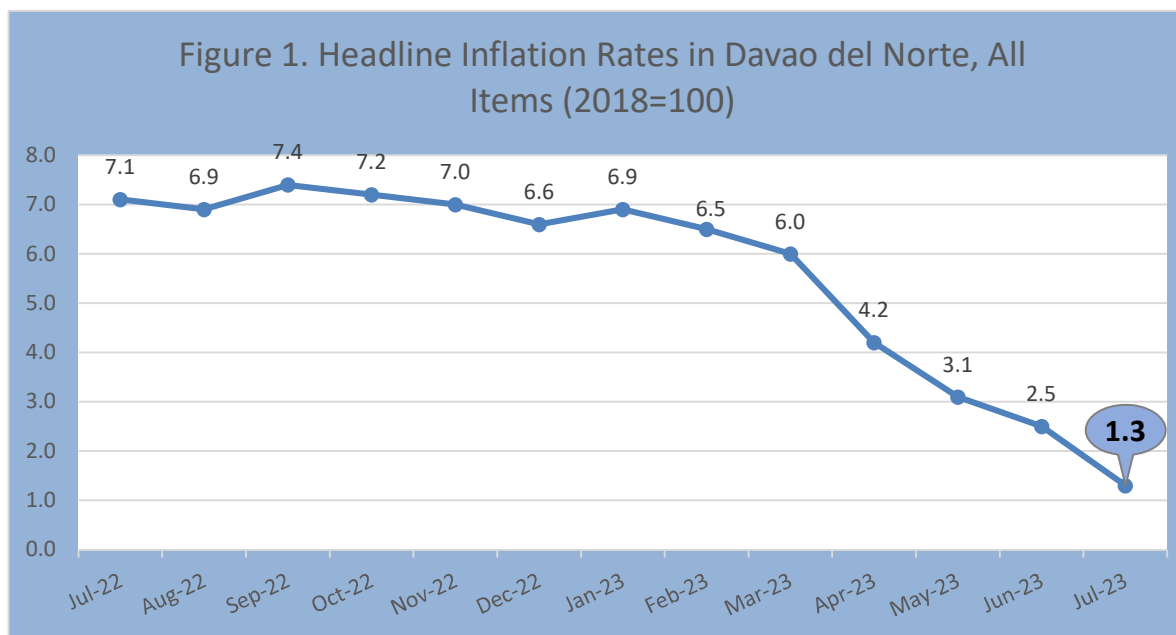
Inflation rate of Davao del Norte further decreased by 1.3 percentage points (2018=100) in July 2023

**Table A. Year-on-Year Inflation Rates: All Items in Percent
 Philippines, Region 11, and Davao del Norte
 July 2022, June – July 2023**

Area	July 2022	June 2023	July 2023	Year-to-Date*
Philippines	6.4	5.4	4.7	6.8
Region 11	8.6	5.7	4.3	7.4
Davao del Norte	7.1	2.5	1.3	4.4

* Year-on-year change of average CPI for January to July 2023 vs. 2022

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index Philippine Statistics Authority



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1. Inflation in Davao del Norte

The headline inflation of Davao del Norte decreased by 5.8 percentage points in July 2023 (1.3%) compared to its inflation rate in the same month last year, which was recorded at 7.1 percent. The current inflation rate (1.3%) of the province is lower compared to the headline inflation of the Philippines and Davao Region, which stood at 4.7 percent and 4.3 percent, respectively (Table A).

The average inflation of Davao del Norte for the year 2023 stood at 4.4 percent (Table B).

**Table B. Year-on-Year Inflation Rates in Davao del Norte:
All Items in Percent
January 2020 – July 2023**

Month	2020	2021	2022	2023
January	2.7	2.5	5.6	6.9
February	2.5	2.8	3.9	6.5
March	3.6	2.9	4.0	6.0
April	3.4	2.7	4.7	4.2
May	2.7	3.3	4.7	3.1
June	2.0	3.6	5.7	2.5
July	1.2	4.2	7.1	1.3
August	1.3	4.7	6.9	
September	2.6	4.1	7.4	
October	3.2	4.3	7.2	
November	3.2	4.2	7.0	
December	2.3	4.3	6.6	
Average	2.6	3.6	5.9	4.4

*Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index,
Philippine Statistics Authority*

2. Contribution to the Inflation

Table C showed that the July 2023 inflation of Davao del Norte is mostly contributed by the indices of food and non-alcoholic beverages (5.1%); health (7.5%); and personal care, and miscellaneous goods and services (2.9%).

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Table C. Major Contributor to the Inflation in Davao del Norte: All income Households in Percent (2018=100)

Commodity Group	July 2022	June 2023	July 2023	Contribution to Inflation
ALL ITEMS	7.1	2.5	1.3	100.0
Food and non-alcoholic beverages	5.4	6.0	5.1	161.4
Alcoholic beverages and tobacco	8.4	5.1	5.8	7.5
Clothing and footwear	1.5	2.1	2.5	4.9
Housing, water, electricity, gas and other fuels	11.1	(2.0)	(5.3)	(66.1)
Furnishings, household equipment and routine household maintenance	1.9	3.0	3.0	5.0
Health	5.5	7.9	7.5	12.2
Transport	18.0	(4.1)	(6.4)	(44.6)
Information and communication	0.1	1.3	1.5	2.2
Recreation, sport and culture	2.2	5.6	5.2	2.3
Education services	0.0	3.6	3.6	2.9
Restaurants and accommodation services	0.5	1.0	1.0	4.2
Financial services	0.0	0.0	0.0	0.0
Personal care, and miscellaneous goods and services	2.9	2.9	2.9	8.2

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index Philippine Authority

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3. Share to the Trend of Inflation

Table D. Share to the Downtrend of Inflation in Davao del Norte: All income Households in Percent (2018=100)

Commodity Group	July 2022	June 2023	July 2023	Share to Downtrend
ALL ITEMS	7.1	2.5	1.3	100.0
Food and non-alcoholic beverages	5.4	6.0	5.1	32.9
Alcoholic beverages and tobacco	8.4	5.1	5.8	0
Clothing and footwear	1.5	2.1	2.5	0
Housing, water, electricity, gas and other fuels	11.1	(2.0)	(5.3)	47.6
Furnishings, household equipment and routine household maintenance	1.9	3.0	3.0	0
Health	5.5	7.9	7.5	0.7
Transport	18.0	(4.1)	(6.4)	18.5
Information and communication	0.1	1.3	1.5	0
Recreation, sport and culture	2.2	5.6	5.2	0.2
Education services	0.0	3.6	3.6	0
Restaurants and accommodation services	0.5	1.0	1.0	0
Financial services	0.0	0.0	0.0	0
Personal care, and miscellaneous goods and services	2.9	2.9	2.9	0

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index Philippine Authority

The decrement in the inflation rate of Davao del Norte can be observed with its downward trend from 2.5 percent in June 2023 to 1.3 percent in July 2023. This decrease is mainly contributed by the downward movement of the index for housing, water, electricity, gas and other fuels, from a rate of -2.0 percent in June 2023 to -5.3 percent in July 2023. This is followed by the indices of food and non-alcoholic beverages (from 6.0% to 5.1%), and transport (from -4.1% to -6.4%). (Table D).

Despite the decrease of inflation rate in the province, an upward trend in July 2023 compared to their corresponding rates in June 2023 were observed in Table D for the following commodities:

- Alcoholic beverages and tobacco (from 5.1% to 5.8%);
- Clothing and footwear (from 2.1% to 2.5%); and
- Information and communication (from 1.3% to 1.5%)

It can also be observed that the commodities for furnishings, household equipment and routine household maintenance; education services; restaurants and accommodation services; financial services; and personal care, and miscellaneous goods and services has shown no sign of increase nor decrease in inflation rate in comparison to their corresponding rates in the last month.

The index for food has also shown a downward trend from 6.1 percent in June 2023 to 5.1 percent in July 2023. The downtrend of the food inflation was mostly attributed by the lower annual increase in the price indices of fish and other seafood; meat and other parts of slaughtered land animals; and milk, other dairy products and eggs (Table E.)

Table E. Share to the Downtrend of Food Inflation in Davao del Norte: All income Households in Percent (2018=100)

Commodity Group	July 2022	June 2023	July 2023	Share to Downtrend
FOOD	5.6	6.1	5.1	100.0
Rice	(1.0)	6.1	6.2	0
Corn	12.4	10.3	8.8	1.8
Flour, Bread and Other Bakery Products, Pasta Products, And Other Cereals	2.5	5.7	8.0	0
Meat and other parts of slaughtered land animals	15.0	3.9	0.1	28.2

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Table E. Share to the Downtrend of Food Inflation in Davao del Norte: All income Households in Percent (2018=100)

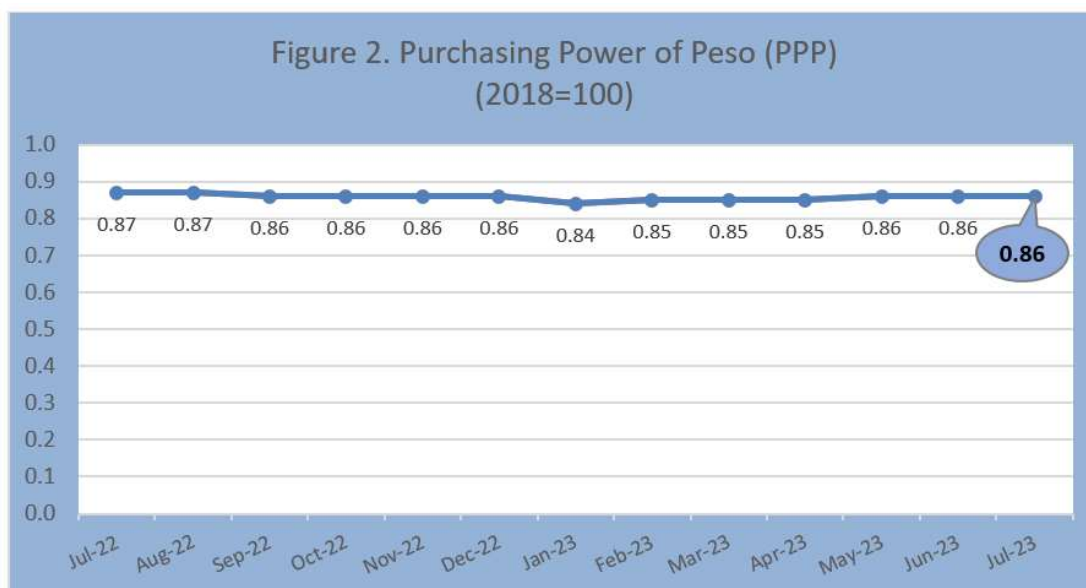
Commodity Group	July 2022	June 2023	July 2023	Share to Downtrend
Fish and other seafood	4.3	8.4	1.1	55.8
Milk, other dairy products and eggs	5.2	4.7	3.1	5.6
Oils and fats	16.7	12.9	10.8	1.2
Fruits and nuts	(6.4)	4.6	13.0	0
Vegetables, tubers, plantains, cooking bananas and pulses	7.9	3.7	16.3	0
Sugar, confectionery and desserts	19.2	17.6	12.4	5.3
Ready-made food and other food products n.e.c.	5.5	5.3	3.8	2.2

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index Philippine Authority

4. Purchasing Power of Peso

The Purchasing Power of Peso (PPP) measures the current value of the peso in reference to its value in the base year. It has an inverse relationship with the Consumer Price Index (CPI), which means that if the CPI increases, the PPP decreases.

Figure 2 showed that the PPP for the province of Davao del Norte steadied at 0.86 from May 2023 to July 2023. This suggests that Php100.00 in 2018 is currently valued at PhP86.00.



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Technical Notes

Consumer Price Index (CPI). An indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by households relative to a base year.

Based Period. A reference date at which the index is equal to 100. The Base year is 2018.

Inflation Rate. The rate of change of the CPI expressed in percent. It is interpreted in terms of declining purchasing power of peso.

Purchasing Power of Peso. The measure of how much the peso in the base period is worth in the current period.

Note: Consumer Price Indices (CPI) and inflation rates by province and selected cities are posted at the PSA website (<https://openstat.psa.gov.ph/>).

Approved for Release:

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