



# SPECIAL RELEASE

## Summary Inflation Report Consumer Price Index (2018=100) August 2023

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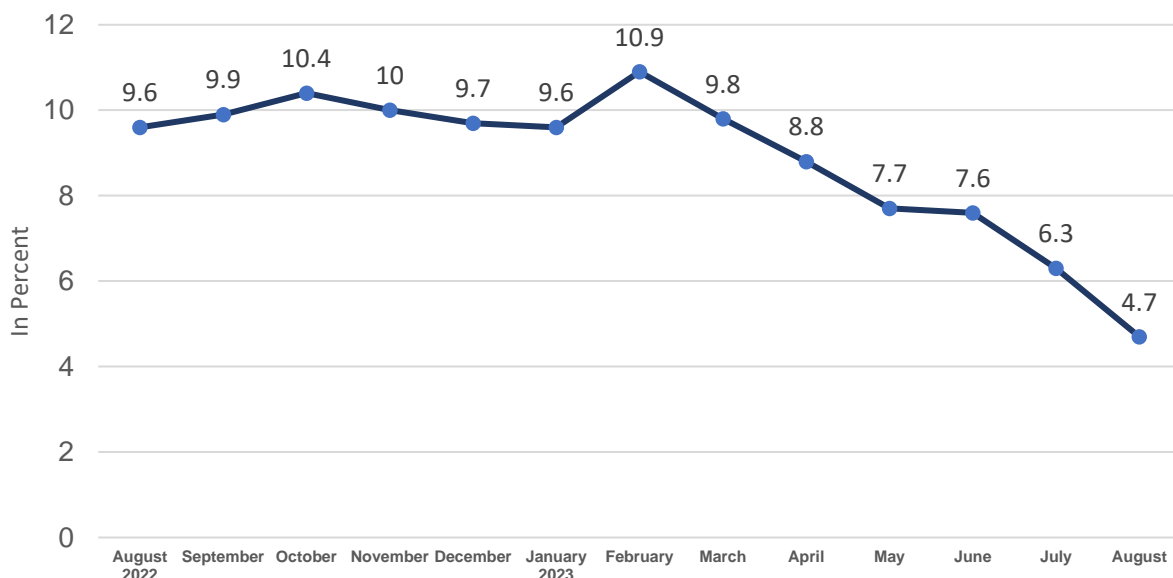
**Table A. Year-on-Year Inflation Rates, All Items  
In Percent (2018=100)**

Area	August 2022	July 2023	August 2023	Year-to-date*
Philippines	6.3	4.7	5.3	6.6
Davao Region	8.9	4.3	3.9	6.9
Davao City	9.6	6.3	4.7	8.2

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

\* Year-on-year change of average CPI for August 2023 vs. 2022

**Figure 1. Headline Inflation Rates in Davao City, All Items  
(2018=100)**



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

## CITY OF DAVAO

### 1. Headline Inflation

In August 2023, the City of Davao's headline inflation rate showed a consistent decrease, with a drop of 1.6 percentage points from 6.3 percent in July 2023 to 4.7 percent. Furthermore, the current headline inflation rate was 4.9 percentage points lower than the rate reported in August 2022. Meanwhile, the average inflation rate from January to August 2023 stood at 8.2 percent. (Table A and Figure 1).

#### *1.1 Main Drivers to the Downward Trend of the Headline Inflation*

Among the 13 commodity groups, the slower headline inflation in August 2023 was primarily brought about by the decline in the index of (1) Housing, Water, Electricity, Gas, and other Fuels at 2.1 percent down from 9.0 percent in the previous month. Also pulling down the overall headline inflation in the city was (2) Food and Non-Alcoholic Beverages at 4.8 percent, down from 5.9 percent in the previous month. The third commodity group with the largest share to the decreasing trend was (3) Education Services at 4.3 percent, which dropped from 9.8 percent in the previous month.

Relative to their annual rates in the previous month, lower year-on-year inflation rates were also observed in the following commodity groups:

- a. Furnishings, Household Equipment and Routine Household Maintenance, 6.1 percent;
- b. Alcoholic Beverages and Tobacco, 18.5 percent;
- c. Health, 6.3 percent;
- d. Clothing and Footwear, 8.1 percent;
- e. Recreation, Sport and Culture, 4.9 percent;

In contrast, all other commodity groups have higher inflation, except for Restaurants and Accommodation Services, which remained equal at 8.0, and Financial Services, which remained unchanged at 0.0.

## 2. Food Inflation

Meanwhile, food inflation decreased to 4.8 percent in August 2023 from 5.9 percent in the previous month. The decrease was mainly due to (1) Fish and other Seafood at -13.2 percent, down from -10.3 percent in the previous month; (2) Sugar, Confectionery and Desserts at 10.3 percent, down from 22.9 percent in the previous month; and (3) Meat and Other Parts of Slaughtered Animals at 4.5 percent, down from 6.3 percent in the previous month. In addition, the following food groups also exhibited lower rates in August 2023:

- a. Milk, Other Dairy Products and Eggs, 10.5 percent;
- b. Flour, Bread and Other Bakery Products, Pasta Products and Other Cereals, 12.7 percent;
- c. Vegetable, Tubers, Plantains, Cooking Bananas and Pulses, 8.8 percent;
- d. Fruits and Nuts, 23.0 percent;

The rest of the food groups, on the other hand, exhibited higher rates. Specifically, (1) Rice at 4.5 percent, up from 2.7 percent; (2) Corn at 57 percent from 55.7 percent; (3) Oils and Fats at 12.8 percent from 10.8 percent; and (4) Ready-Made Food and Other Food Products N.E.C. at 10.0 from 9.7 percent in July 2023.

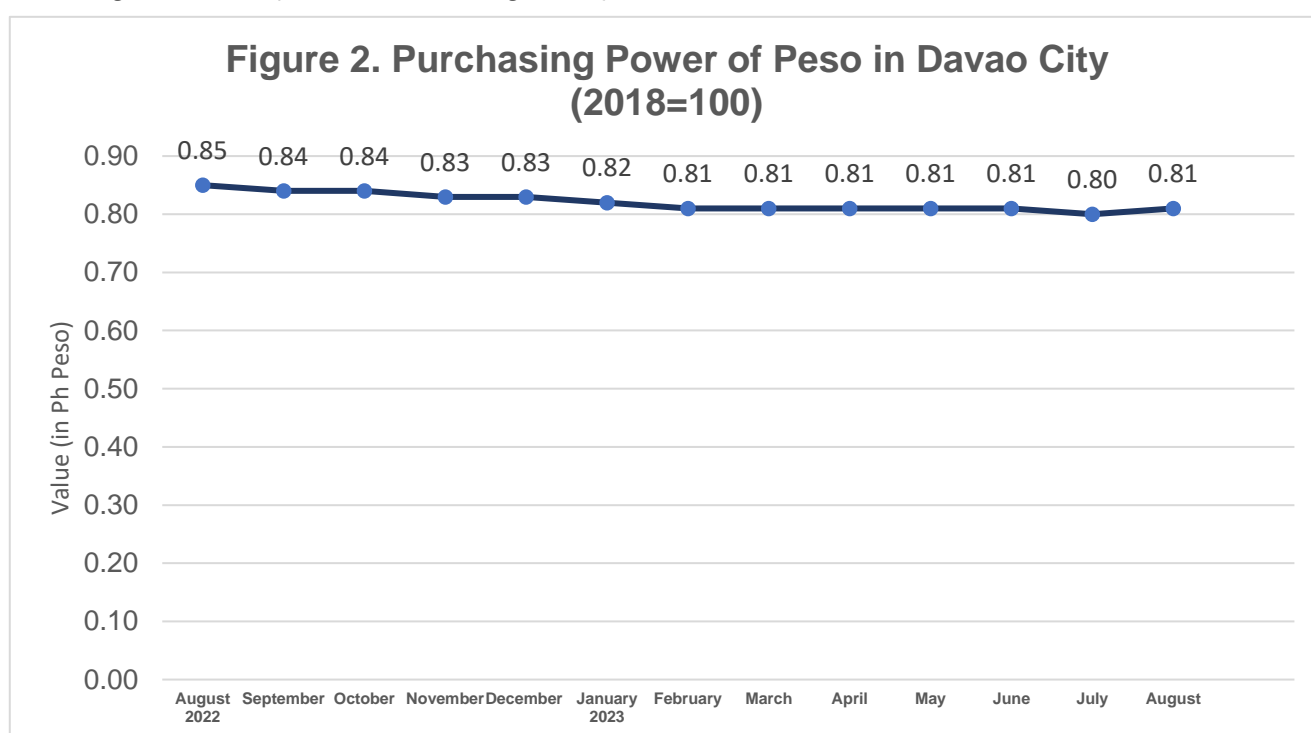
**Table B. Year-on-Year Inflation Rates in Davao City, All Items in Percent  
January 2020 – August 2023  
(2018=100)**

Month	Year			
	2020	2021	2022	2023
January	2.6	1.1	5.0	9.6
February	2.9	1.9	4.6	10.9
March	2.1	2.9	5.1	9.8
April	1.6	3.6	5.1	8.8
May	1.6	3.7	6.7	7.7
June	1.5	3.7	7.0	7.6
July	1.1	4.2	8.4	6.3
August	0.4	4.2	9.6	4.7

<b>September</b>	0.9	3.6	9.9	
<b>October</b>	1.8	2.8	10.4	
<b>November</b>	1.1	4.3	10.0	
<b>December</b>	0.9	4.2	9.7	
<b>Average</b>	1.5	3.3	7.6	<b>8.2</b>

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

Furthermore, the Purchasing Power of Peso (PPP) in Davao City in August 2023 increased for the first time since 2018 which stood at 0.81, up from the 0.80 recorded in the preceding month. Comparatively, the PPP was at 0.85 in August 2022 (as shown in Figure 2).



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

#### Technical Notes:

**Consumer Price Index (CPI)** - The CPI is 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.

**Inflation Rate (IR)** - The inflation rate is the annual rate of change, or the year-on-year change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of money.

**Headline Inflation** - measures changes in the cost of living based on movements in the prices of a specified basket of major commodities. It refers to the annual rate of change or the year-on-year change in the Consumer Price Index (CPI).

**Purchasing Power of the Peso (PPP)** - The purchasing power of the peso shows how much the peso in the base period is worth in the current period. It is computed as the reciprocal of the CPI for the period under review multiplied by 100.

Approved for Release:

  
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