

SPECIAL RELEASE

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

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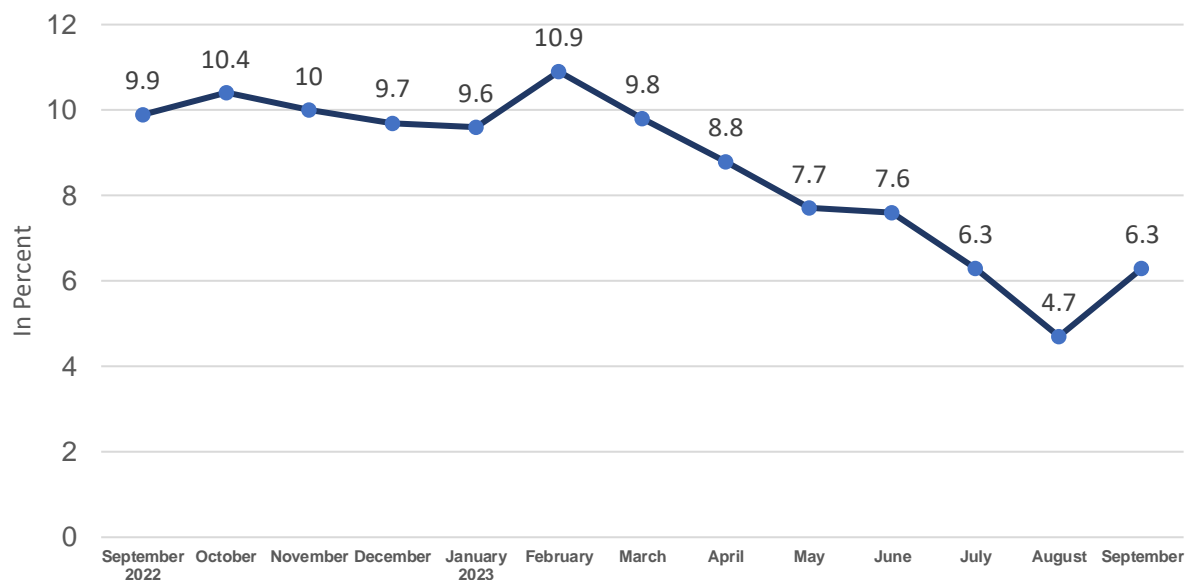
**Table A. Year-on-Year Inflation Rates, All Items
In Percent (2018=100)**

Area	September 2022	August 2023	September 2023	Year-to-date*
Philippines	6.9	5.3	6.1	6.6
Davao Region	9.6	3.9	5.4	6.8
Davao City	9.9	4.7	6.3	7.9

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

* Year-on-year change of average CPI for September 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 September 2023, the headline inflation in City of Davao surged to 6.3 percent, marking a 1.6 percent rise from the 4.7 percent rate recorded in August 2023. Notably, the current inflation rate is 3.6 percentage points lower than the rate reported in September 2022. Meanwhile, the average inflation rate from January to September 2023 stands at 7.9 percent, as indicated in Table A and Figure 1.

1.1 Main Drivers contributing to the Rising Headline Inflation

Among the 13 commodity groups, the higher headline inflation in September 2023 was primarily brought about by the increase in the index of (1) Food and Non-Alcoholic Beverages at 7.6 percent, up from 4.8 percent in the previous month. Also contributing to the overall headline inflation in the city was (2) Restaurants and Accommodation Services at 12.2 percent, up from 8.0 percent in the previous month. The third commodity group with the largest contribution to the increasing trend was (3) Transport at 2.4 percent, which increased from 0.9 percent in the previous month.

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

- a) Housing, Water, Electricity, Gas and other Fuels, 2.2 percent;
- b) Health, 7.1 percent; and
- c) Personal Care, and Miscellaneous Goods and Services, 8.2 percent;

In contrast, several commodity groups had a lower inflation rate in September 2023. Specifically, a) Alcoholic Beverages and Tobacco at 18.4 percent, down from 18.5 in the previous month; b) Clothing and Footwear at 7.7 percent, down from 8.1 percent in the previous month; c) Furnishings, Household Equipment, and Routine Household Maintenance at 5.8 percent, down from 6.1 percent; and d) Information and Communication at 1.5 percent, down from 2.0 percent in the previous month. The rest of the commodities, on the other hand, remained equal.

**Table A. Year-on-Year Inflation Rates in Davao City, All Items in Percent
January 2020 – September 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
September	0.9	3.6	9.9	6.3
October	1.8	2.8	10.4	
November	1.1	4.3	10.0	
December	0.9	4.2	9.7	
Average	1.5	3.3	7.6	7.9

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

2. Food Inflation

Meanwhile, food inflation increased to 9.5 percent in September 2023 from 4.9 percent in the previous month. The increase was mainly due to a) Cereal and Cereal Products at 28.4 percent, specifically the rice which rose from 8.5 percent in August 2023 to 31.6 percent in September 2023. This was followed by b) Meat and Other Parts of Slaughtered Land Animals at 5.9 percent, up from 4.4 percent in the previous month; c) Vegetables, Tubers, Plantains, Cooking Bananas and Pulses at 5.9 percent, up from 3.1 percent; and d) Oils and Fats at 7.1 percent, up from 6.8 percent in the previous month.

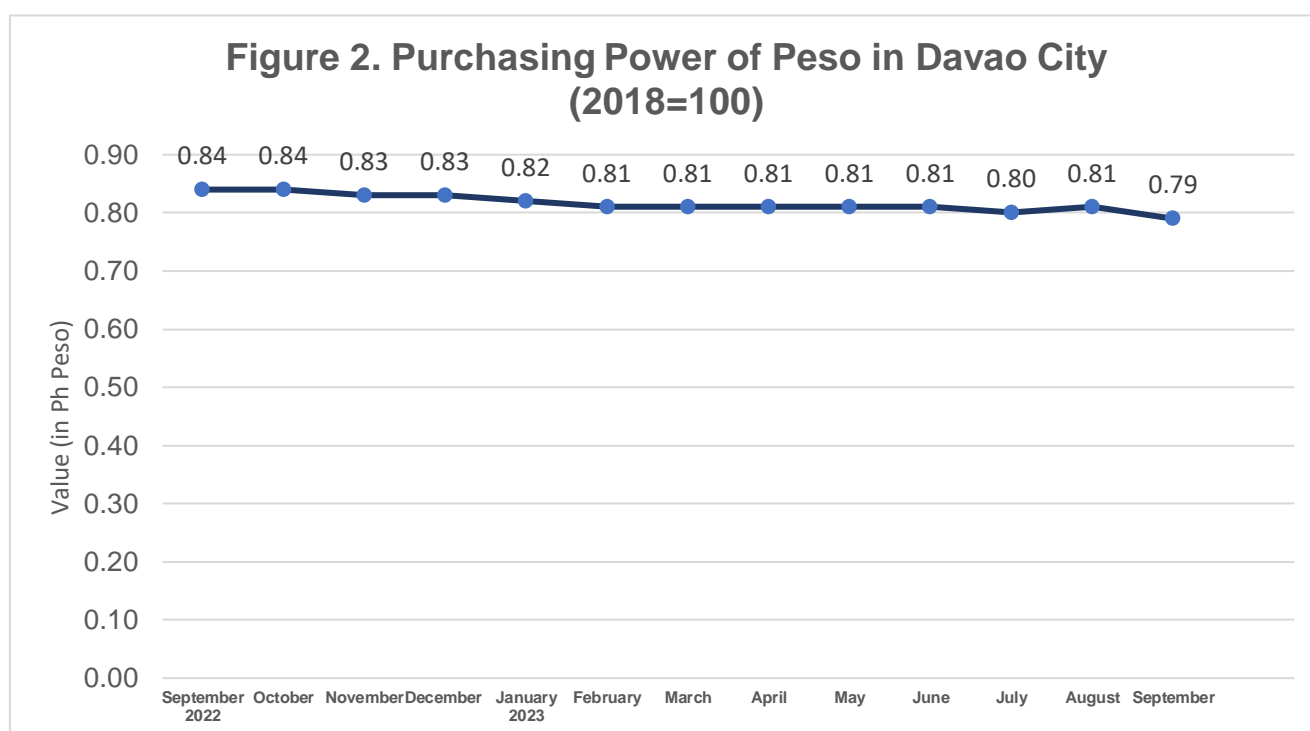
The rest of the food groups, on the other hand, exhibited lower rates. Specifically,

- a. Corn, 38.8 percent;

- b. Flour, Bread, and Other Bakery Products, Pasta Products, and other Cereals, 11.9 percent;
- c. Fish and Other Seafood, -19.5 percent;
- d. Milk, other dairy products and Eggs, 9.7 percent;
- e. Fruits and Nuts, 17.7 percent;
- f. Sugar, Confectionery and Desserts, 5.7 percent; and
- g. Read-made food and Other Food Product n.e.c, 11.3 percent;

3. Purchasing Power of Peso

The Purchasing Power of Peso (PPP) in the City of Davao in September 2023 decreased to 0.79, down from the 0.81 recorded in the preceding month. Comparatively, the PPP was at 0.84 in September 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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