

SPECIAL RELEASE

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

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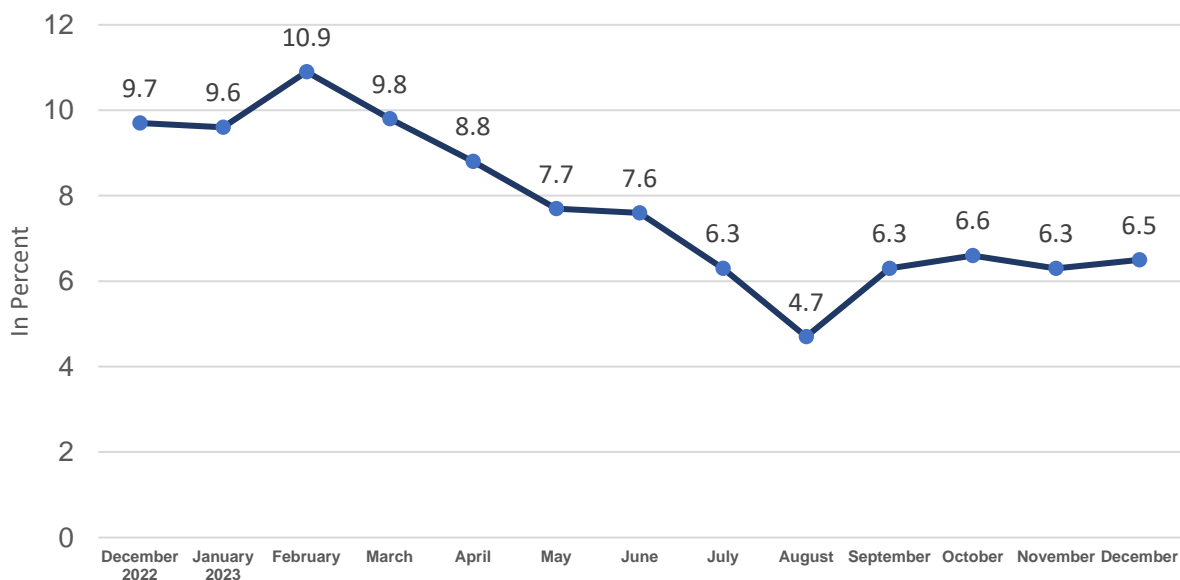
**Table A. Year-on-Year Inflation Rates, All Items
In Percent (2018=100)**

Area	December 2022	November 2023	December 2023	Year-to-date*
Philippines	8.1	4.1	3.9	6.0
Davao Region	9.3	4.9	5.3	6.3
Davao City	9.7	6.3	6.5	7.6

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

* Year-on-year change of average CPI for December 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 December 2023, the City of Davao underwent an increase in headline inflation to 6.5 percent, reflecting a 0.2 percent rise from the November 2023 rate of 6.3 percent. Notably, the current inflation rate was 3.2 percentage points lower than the figure reported in December 2022. Meanwhile, the city's average inflation rate from January to December 2023 stands at 7.6 percent (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 December 2023 was primarily brought about by the increase in the index of (a) Restaurants and Accommodation Services at 14.7 percent, up from 13.6 percent in the previous month. Also contributing to the trend of the headline inflation in the city was (b) Food and Non-Alcoholic Beverages at 9.3 percent, up from 8.4 percent in the previous month. The third commodity group with the largest contribution to the increasing trend was (c) Transport at 1.8 percent, which increased from 0.4 percent in the previous month.

In contrast, several commodity groups experienced lower inflation rates in December 2023. Specifically:

- a) Alcoholic Beverages and Tobacco at 11.8 percent, down from 12.6 percent in the previous month.
- b) Housing, Water, Electricity, Gas, and Other Fuels at 1.1 percent, down from 2.2 percent in the previous month.
- c) Personal Care and Miscellaneous Goods and Services at 6.0 percent, down from 7.0 percent in the previous month.
- d) Furnishings, Household Equipment, and Routine Household Maintenance at 4.5 percent, down from 5.2 percent in the previous month.
- e) Recreation, Sport, and Culture at 3.5 percent, down from 3.7 percent in the previous month.
- f) Information and Communication at 1.0 percent, down from 1.1 percent in the previous month.

g) Health at 5.7 percent, down from 5.8 percent in the previous month.

However, the remaining commodities maintained the same rates as in the previous month.

**Table A. Year-on-Year Inflation Rates in Davao City, All Items in Percent
January 2020 – December 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	6.6
November	1.1	4.3	10.0	6.3
December	0.9	4.2	9.7	6.5
Average	1.5	3.3	7.6	7.6

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

2. Food Inflation

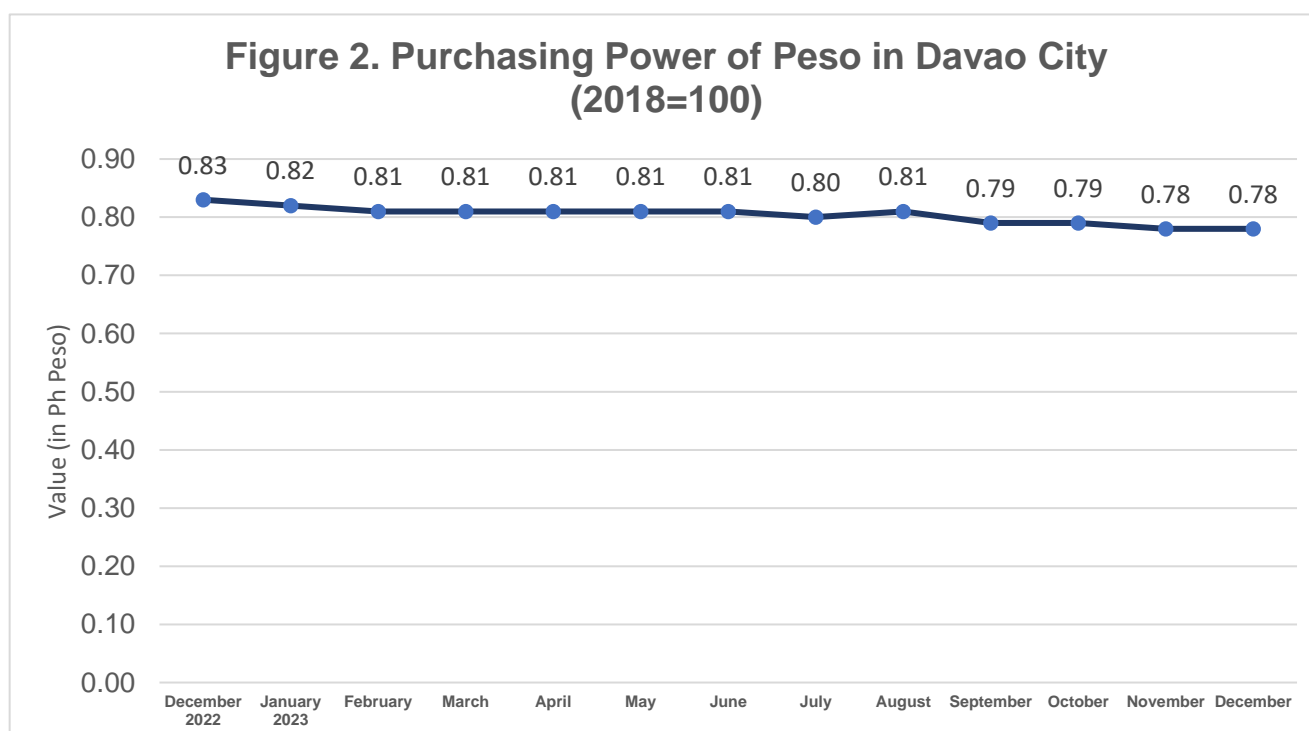
Meanwhile, food inflation increased to 9.3 percent in December 2023 from 8.1 percent in the previous month. The increase was mainly due to a) Fish and other seafood at -1.6 percent, from -5.9 percent in the previous month. This was followed by b) Cereals and cereal products at 20.4 percent, up from 17.7 percent in the previous month; and c) Fruits and nuts at 17.9 percent, up from 15.1 percent in the previous month.

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

- a) Meat and Other Parts of Slaughtered Land Animals, 7.2 percent;
- b) Milk, Other Dairy Products and Eggs, 8.7 percent;
- c) Oils and Fats, 12.7 percent;
- d) Vegetables, Tubers, Plantains, Cooking Bananas and Pulses, -0.6 percent;
- e) Sugar, Confectionery and Desserts, 1.6 percent; and
- f) Ready-Made Food and Other Food Products N.E.C., 6.6 percent.

3. Purchasing Power of Peso

The December 2023 Purchasing Power of Peso (PPP) in Davao City is 0. 0.78, which is the same as the previous month's PPP, as illustrated 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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