

SPECIAL RELEASE

Summary Inflation Report Consumer Price Index (2018=100) July 2024

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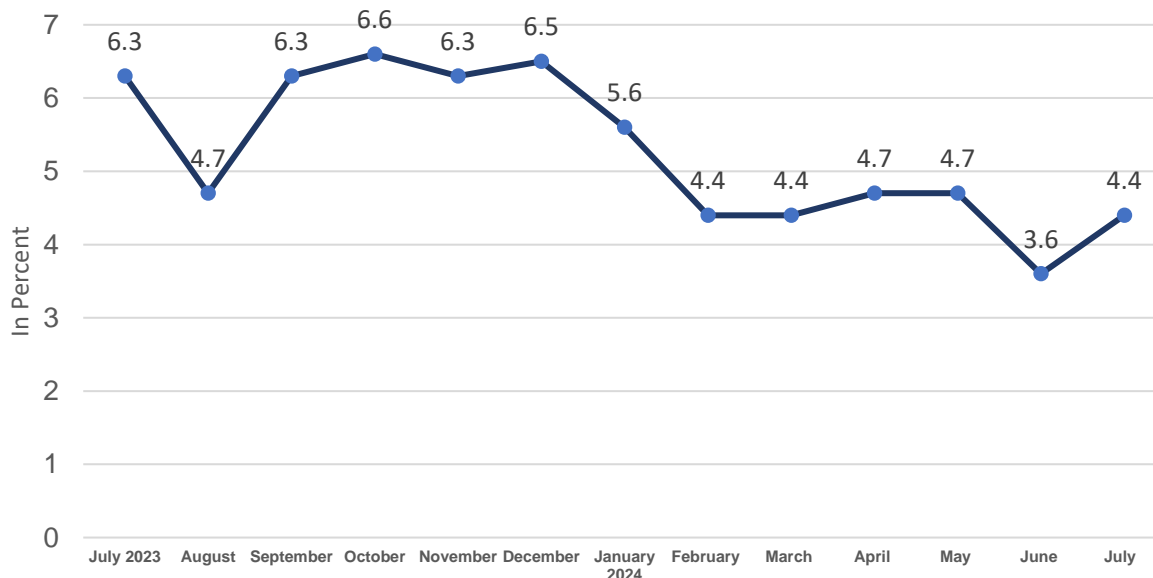
**Table A. Year-on-Year Inflation Rates, All Items
In Percent (2018=100)**

Area	July 2023	June 2024	July 2024	Year-to-date*
Philippines	4.7	3.7	4.4	3.7
Davao Region	4.3	4.3	5.1	4.8
Davao City	6.3	3.6	4.4	4.5

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

* Year-on-year change of average CPI for July 2024 vs. 2023

**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 July 2024, the headline inflation rate in Davao City underwent an increase at 4.4 percent, reflecting a 0.8 percentage points decline from the May 2024 rate of 3.6 percent. Notably, the current inflation rate was 1.9 percentage points lower than the figure reported in July 2023. Meanwhile, the city's average inflation rate stood at 4.5 percent (Table A and Figure 1).

1.1 Main Drivers contributing to the Rising Headline Inflation

Among the commodity groups, the higher headline inflation in July 2024 was primarily brought about by the increase in the index of (a) Housing, Water, Electricity, Gas and Other Fuels at negative 1.6 percent, from negative 4.6 percent in the previous month. Also contributing to the increasing of the headline inflation in the city was (b) Education Services at 12.5 percent, from 4.3 percent in the previous month. The third commodity group with the largest contribution to the increasing inflation was (c) Transport at 4.7 percent, from 3.9 percent in the previous month.

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

- d) Alcoholic Beverages and Tobacco at 4.3 percent;
- e) Recreation, Sport and Culture at 3.3 percent;
- f) Clothing and Footwear at 5.1 percent; and
- g) Personal Care, and Miscellaneous Goods and Services at 6.0 percent.

In contrast, three (3) commodity groups recorded lower inflation rates in July 2024. These are: (a) Food and Non-Alcoholic Beverages at 7.1 percent, from 7.3 percent; (b) Furnishings, Household Equipment and Routine Household Maintenance at 3.6 percent, from 3.7 percent; and (c) Health at 3.6 percent, from 3.8 percent in the previous month. On the other hand, the inflation rates for the rest of the commodities remained unchanged.

**Table A. Year-on-Year Inflation Rates in Davao City, All Items in Percent
 January 2021 – July 2024
 (2018=100)**

Month	Year			
	2021	2022	2023	2024
January	1.1	5.0	9.6	5.6
February	1.9	4.6	10.9	4.4
March	2.9	5.1	9.8	4.4
April	3.6	5.1	8.8	4.7
May	3.7	6.7	7.7	4.7
June	3.7	7.0	7.6	3.6
July	4.2	8.4	6.3	4.4
August	4.2	9.6	4.7	--
September	3.6	9.9	6.3	--
October	2.8	10.4	6.6	--
November	4.3	10.0	6.3	--
December	4.2	9.7	6.5	--
Average	3.3	7.6	7.6	4.5

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

2. Food Inflation

Meanwhile, food inflation decreased to 7.4 percent in July 2024 from 7.6 percent in the previous month. The decrease in food inflation was mainly attributed by a) Cereals and cereal products at 19.4 percent, from 22.0 percent in the previous month. This was followed by b) Fruits and nuts at 12.8 percent, from 20.4 percent in the previous month; and c) Oils and fats at negative 1.1 percent, from 1.8 percent in the previous month.

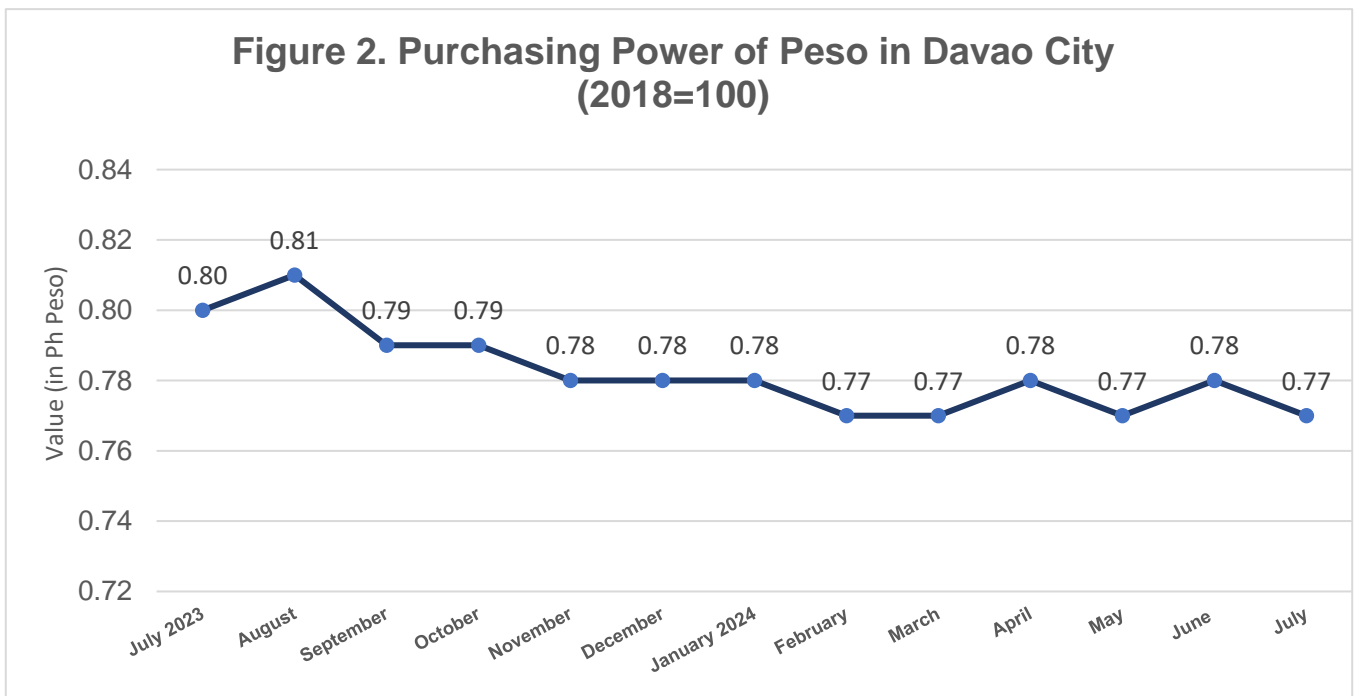
In contrast, increasing rates in food inflation were observed in the following food commodities:

- a) Meat and other parts of slaughtered land animals, at 2.7 percent;
- b) Fish and other seafood, at negative 4.3 percent;

- c) Milk, other dairy products and eggs, at negative 0.2 percent;
- d) Vegetables, tubers, plantains, cooking bananas and pulses, at 15.8 percent;
- e) Sugar, confectionery and desserts, at negative 0.9 percent; and
- f) Ready-made food and other food products, at 11.1 percent.

3. Purchasing Power of Peso

The Purchasing Power of Peso (PPP) in Davao City for July 2024 decreased at 0.77 percent, compared from 0.78 in the previous month, as illustrated in Figure 2. This entails that, to purchase the same set of goods and services that cost Php 100 in 2018, one would require Php 130.00 in July 2024.



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.

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