Special Release

Summary Inflation Report of Davao Oriental
Consumer Price Index
(2018=100)

October 2023

Date of Release: <u>09 November 2023</u>
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Table A. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)

Area	October 2022	September 2023	October 2023	Year-to-date*
Philippines	7.7	6.1	4.9	6.6
Davao Region	9.8	5.4	5.2	6.8
Davao Oriental	8.1	6.5	7.2	8.3

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
Philippine Statistics Authority
* Year-on-year change of average CPI for January to October 2023 vs. 2022

The inflation in Davao Oriental increased to 7.2 percent in October 2023, from 6.5 percent in September 2023. This brings the average inflation from January to October 2023 to 8.3 percent. In October 2022, inflation was higher at 8.1 percent. (Tables A and B, and Figure 1)

Table B. Year-on-Year Inflation Rates in Davao Oriental, All Items
In Percent
January 2019 – October 2023
(2018=100)

Month	Year				
	2019	2020	2021	2022	2023
January	2.2	2.2	1.9	8.3	10.0
February	2.1	0.8	5.2	4.2	11.3
March	1.4	0.5	7.2	4.1	12.4
April	1.0	1.1	7.0	6.2	10.2
May	0.6	0.9	7.4	5.9	7.5
June	0.1	1.6	6.7	7.4	6.6
July	-0.2	2.0	7.6	8.5	5.0
August	-2.0	1.1	9.6	7.7	7.0
September	-2.9	1.3	8.1	9.6	6.5
October	-2.3	0.7	9.5	8.1	7.2
November	-1.0	1.8	7.7	9.3	
December	1.2	0.6	9.1	9.2	
Average	0.0	1.2	7.2	7.4	8.3

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

Figure 1. Inflation Rates in Davao Oriental, All Items (2018=100)
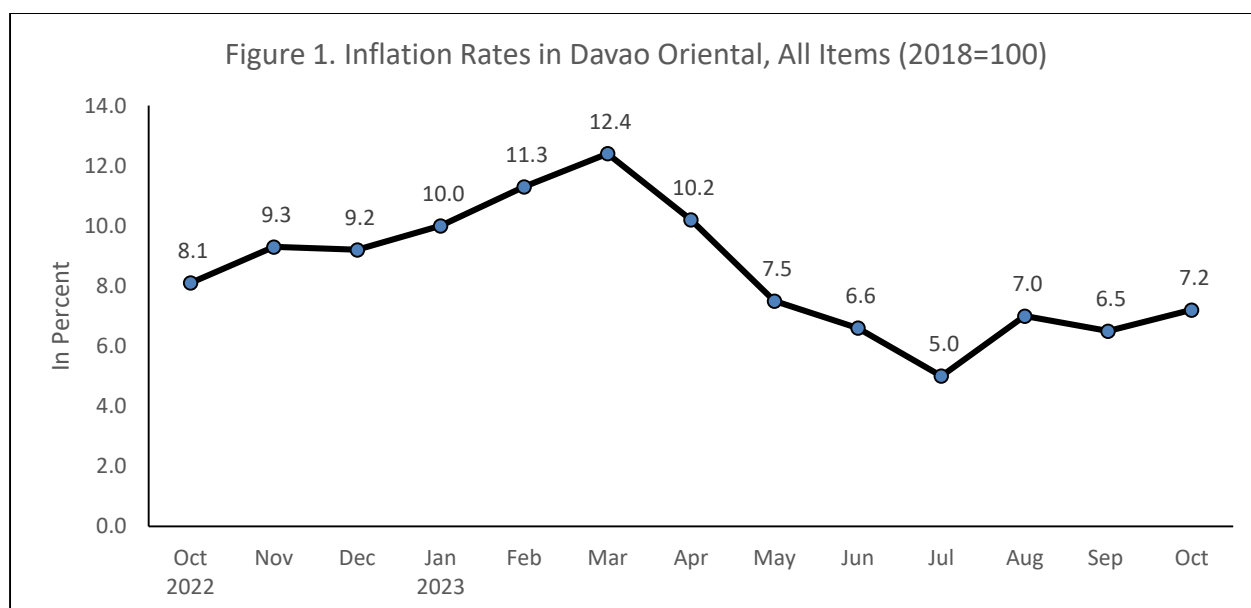
Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
Philippine Statistics Authority

The uptrend in the province's inflation in October 2023 was primarily brought about by the higher year-on-year increase in housing, water, electricity, gas and other fuels at 4.0 percent during the month from 0.0 percent in the previous month.

Also contributing to the uptrend in the overall inflation in October 2023 were the higher annual increases in the indices of the following commodity groups:
    a. Food and non-alcoholic beverages, 8.3 percent from 8.1 percent;
    b. Transport, 1.6 percent from 0.8 percent; and
    c. Clothing and footwear, 5.0 percent from 4.8 percent.

In contrast, the following commodity groups showed lower inflation rates during the month:
    a. Alcoholic beverages and tobacco, 10.5 percent from 10.6 percent;
    b. Furnishings, household equipment and routine household maintenance, 6.2 percent from 6.9 percent;
    c. Health, 5.9 percent from 6.2 percent; and
    d. Recreation, sport and culture, 11.7 percent from 12.0 percent; and
    e. Personal care and miscellaneous goods and services, 9.2 percent from 10.0 percent. (Tables C)

Meanwhile, the indices of the rest of the commodity groups retained their respective previous month's annual growth rates. (Tables C)

Food inflation rose to 8.4 percent in October 2023. In the previous month, food inflation was recorded at 8.2 percent, while it was 7.3 percent in October 2022. (Table D)

The acceleration of food inflation in October 2023 was mainly brought about by the higher inflation for rice with a double-digit inflation rate of 25.4 percent during the month from 22.9 percent in September 2023. This was followed by meat and other parts of slaughtered land animals with an inflation of 4.9 percent in October 2023 from 0.0 percent in September 2023.

Higher annual increments were also noted in the indices of the following food groups during the month:
    a. Corn, 6.5 percent from 1.1 percent;
    b. Fruits and nuts, 16.0 percent from 9.5 percent; and
    c. Ready-made food and other food products n.e.c., 6.4 percent from 5.8 percent.

On the contrary, lower inflation rates were noted in the indices of the following food groups during the month:

a. Flour, bread and other bakery products, pasta products, and other cereals, 5.4 percent from 6.2 percent;
b. Fish and other seafood, -3.7 percent from 1.7 percent;
c. Milk, other dairy products and eggs, 25.8 percent from 26.7 percent;
d. Oils and fats, 2.6 percent from 4.6 percent;
e. Vegetables, tubers, plantains, cooking bananas and pulses, 0.7 percent from 3.7 percent; and
f. Sugar, confectionery and desserts, -6.8 percent from 0.1 percent. (Table D)

Table C. Year-on-Year Inflation Rates in Davao Oriental, by Commodity Group
In Percent
(2018=100)

Commodity Group	Inflation Rates		
	Oct 2022	Sep 2023	Oct 2023
ALL ITEMS	8.1	6.5	7.2
Food and Non-Alcoholic Beverages	7.2	8.1	8.3
Alcoholic Beverages and Tobacco	11.6	10.6	10.5
Clothing and Footwear	6.0	4.8	5.0
Housing, Water, Electricity, Gas, and Other Fuels	10.3	0.0	4.0
Furnishings, Household Equipment and Routine Household Maintenance	3.8	6.9	6.2
Health	3.9	6.2	5.9
Transport	13.0	0.8	1.6
Information and Communication	0.0	0.0	0.0
Recreation, Sport and Culture	6.1	12.0	11.7
Education Services	13.1	11.0	11.0
Restaurants and Accommodation Services	6.9	17.0	17.0
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	7.2	10.0	9.2

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

Table D. Year-on-Year Inflation Rates in Davao Oriental, by Food Group
In Percent
(2018=100)

Food Group	Inflation Rates		
	Oct 2022	Sep 2023	Oct 2023
FOOD	7.3	8.2	8.4
Cereals and cereal products	5.0	14.8	17.3
Cereals (ND)	3.8	17.1	20.5
Rice	4.6	22.9	25.4
Corn	1.8	1.1	6.5
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	9.5	6.2	5.4
Meat and other parts of slaughtered land animals	8.7	0.0	4.9
Fish and other seafood	4.1	1.7	-3.7
Milk, other dairy products and eggs	-1.8	26.7	25.8
Oils and fats	16.7	4.6	2.6
Fruits and nuts	11.7	9.5	16.0
Vegetables, tubers, plantains, cooking bananas and pulses	16.2	3.7	0.7
Sugar, confectionery and desserts	66.4	0.1	-6.8
Ready-made food and other food products N.E.C.	4.5	5.8	6.4

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

Relative to their respective September 2023 inflation rates, only Davao City and Davao Oriental recorded higher inflation rates in October 2023. Davao Del Sur recorded the lowest inflation rate in October 2023 at 2.6 percent, while Davao Oriental remained the province with highest inflation rate during the month at 7.2 percent. (Table E)

## Table E. Year-on-Year Inflation Rates in Davao Region, All Items
In Percent
(2018=100)

Areas	Inflation Rates		
	October 2022	September 2023	October 2023
Davao Region	9.8	5.4	5.2
Davao Del Norte	7.2	3.4	2.8
Davao City	10.4	6.3	6.6
Davao Del Sur	10.5	3.3	2.6
Davao Oriental	**8.1**	**6.5**	**7.2**
Davao De Oro	13.2	6.1	4.4
Davao Occidental	8.5	5.7	5.2

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

Purchasing Power of the Peso (PPP)

The purchasing power of the peso (PPP) shows how much the peso in the base year (2018) is worth in another period. It is computed by getting the reciprocal of the CPI and multiplying the result by 100.

The PPP in Davao Oriental remained at 0.79. This means that the amount of PhP 100.00 in 2018 is equivalent to PhP 79.00 in October 2023. In October 2022, the PPP was higher at 0.84. (Figure 2)
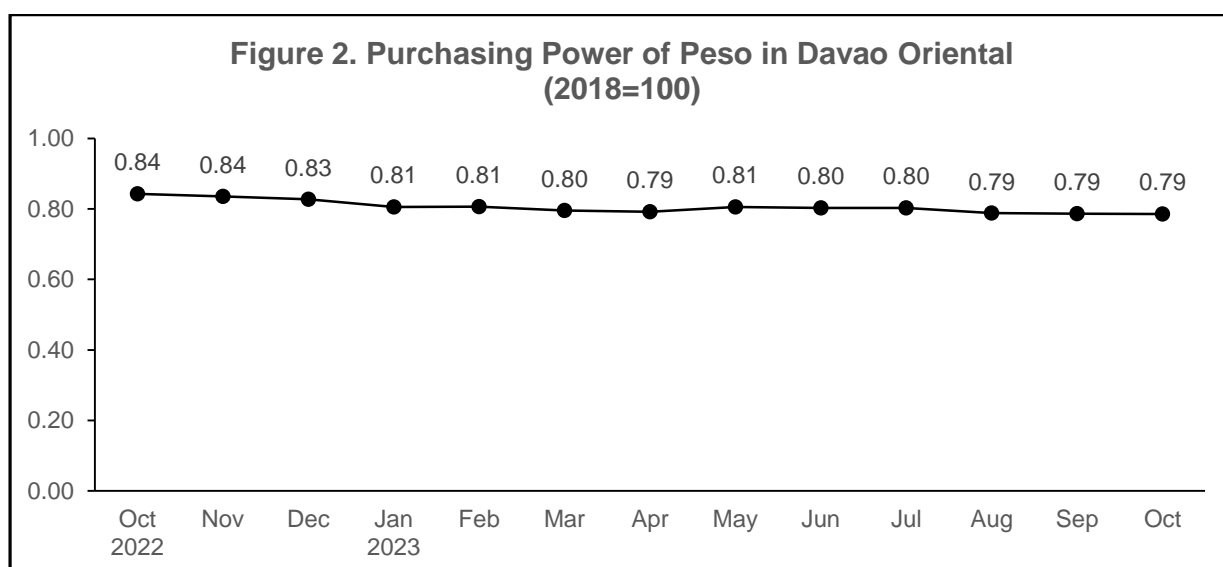
Figure 2. Purchasing Power of Peso in Davao Oriental (2018=100)

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

TECHNICAL NOTES

Uses of CPI

The CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is a major statistical series used for economic analysis and as a monitoring indicator of government economic policy.

Computation of CPI

The computation of the CPI involves consideration of the following important points:

a. **Base Year/Period** - A period, usually a year, at which the index number is set to 100. It is the reference point of the index number series.

b. **Market Basket** - A sample of the thousands of varieties of goods purchased for consumption and services availed by the households in the country selected to represent the composite price behavior of all goods and services purchased by consumers.

c. **Weighting System** - The weighting pattern uses the expenditures on various consumer items purchased by households as a proportion to total expenditure.

d. **Formula** - The formula used in computing the CPI is the weighted arithmetic mean of price relatives, the Laspeyre's formula with a fixed base year period (2006) weights.

e. **Geographic Coverage** - CPI values are computed at the national, regional, and provincial levels, and for selected cities.

Note: CPIs and inflation rates by province and selected city are posted at the PSA website (https://openstat.psa.gov.ph/).

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