



SPECIAL RELEASE

Davao Region Summary Inflation Report Consumer Price Index (2018=100) July 2023

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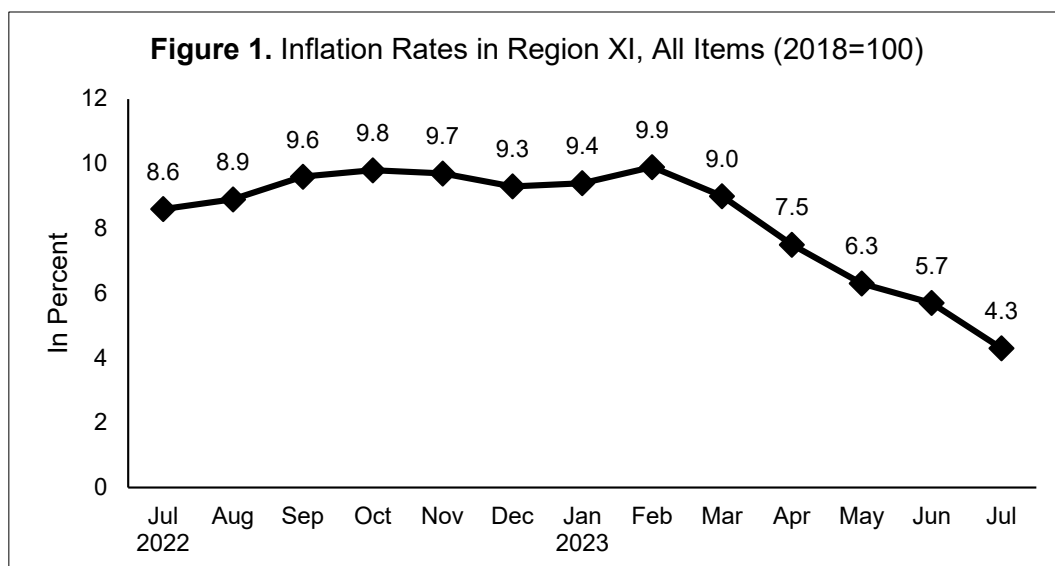
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Table 1. Year-on-Year Provincial and Highly Urbanized City Inflation Rates, All Items: Region XI In Percent (2018=100)

Area	July 2022	June 2023	July 2023	Year-to-date*
Philippines	6.4	5.4	4.7	6.8
Davao Region	8.6	5.7	4.3	7.4
Davao del Norte	7.1	2.5	1.3	4.4
Davao del Sur	9.6	4.6	2.7	6.5
Davao Oriental	8.5	6.6	5.0	9.0
Davao de Oro	12.0	5.5	3.1	8.5
Davao Occidental	8.1	3.1	2.1	6.1
Davao City	8.4	7.6	6.3	8.7

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

*Year-on-year change of CPI for January to July 2023 vs. 2022



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



1. Regional Headline Inflation

The year-on-year headline inflation of Davao Region slowed down further to 4.3 percent in July 2023, from 5.7 percent in June 2023. The average inflation rate from January to July 2023 stood at 7.4 percent. In July 2022, the region's inflation was higher at 8.6 percent. (Table 1 and Figure 1).

1.1 Main Drivers to the Downtrend of the Regional Headline Inflation

Table 2. CPI and Inflation Rate by Commodity Group (2018 = 100), Region XI: July 2022, June 2023, and July 2023

Commodity Group	July 2022 Inflation Rate	June 2023 Inflation Rate	July CPI		July 2023 Inflation Rate
			2022	2023	
All Items	8.6	5.7	117.3	122.3	4.3
Food and Non-Alcoholic Beverages	9.4	6.4	115.9	122.0	5.3
Alcoholic Beverages and Tobacco	9.7	15.0	147.3	168.9	14.7
Clothing And Footwear	3.6	5.9	111.8	118.2	5.7
Housing, Water, Electricity, Gas, and Other Fuels	6.9	6.5	115.5	120.3	4.2
Furnishings, Household Equipment and Routine Household Maintenance	4.9	6.6	113.9	120.9	6.1
Health	3.9	5.7	118.4	125.1	5.7
Transport	20.9	-2.9	135.1	127.0	-6.0
Information and Communication	0.6	1.6	103.7	105.4	1.6
Recreation, Sport and Culture	3.7	7.8	113.4	121.4	7.1
Education Services	0.0	6.8	105.1	112.2	6.8
Restaurants and Accommodation Services	6.2	9.4	113.0	120.6	6.7
Financial Services	0.0	0.0	147.3	147.3	0.0
Personal Care, and Miscellaneous Goods and Services	4.6	5.9	113.6	119.9	5.5

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

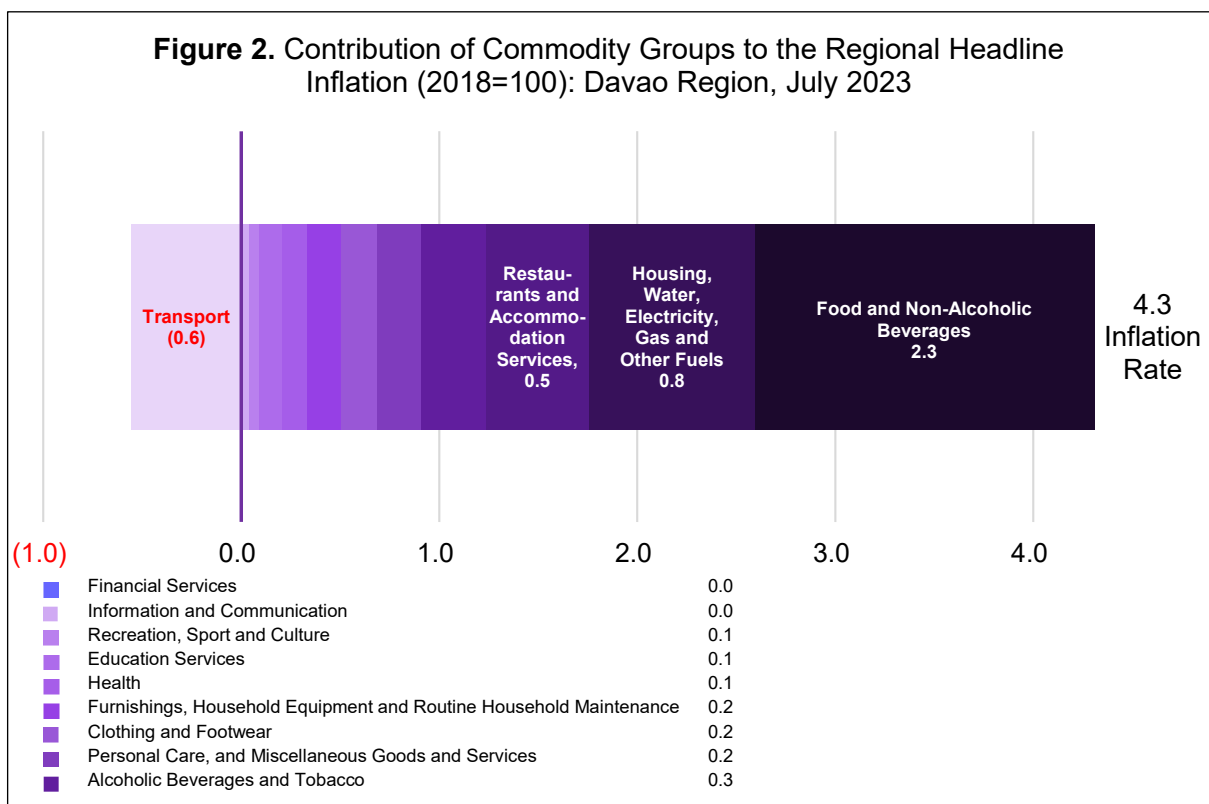
The decline in the region's overall inflation is mainly due to the slower annual growth rate in Food and Non-Alcoholic Beverages at 5.3 percent in July 2023 from 6.4 percent in the previous month. Additionally, the slower annual increment of Housing, Water, Electricity, Gas and other Fuels at 4.2 percent in July 2023 from 6.5 percent in June 2023 contributed to the downward trend of headline inflation. The third main source of deceleration was Transport which recorded a slower annual decrease of -6.0 percent from -2.9 percent in June 2023. (Table 2)

Furthermore, lower annual growth was also observed in the indices of the following commodity groups compared with their previous monthly inflation rates:

- a. Restaurants and Accommodation Services at 6.7 percent;
- b. Personal Care, and Miscellaneous Goods and Services at 5.5 percent;
- c. Furnishings, Household Equipment and Routine Household Maintenance at 6.1 percent;
- d. Alcoholic Beverages and Tobacco at 14.7 percent;
- e. Clothing and Footwear at 5.7 percent; and
- f. Recreation, Sport and Culture at 7.1 percent.

Meanwhile, the indices for Health, Information and Communication, Education Services, and Financial Services retained their previous month’s inflation rates.

1.2 Main Contributors to the Regional Headline Inflation



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

The top three commodity groups contributing to the July 2023 regional headline inflation were the following:

- a. Food and Non-Alcoholic Beverages with 2.3 percentage points;
- b. Housing, Water, Electricity, Gas and Other Fuels with 0.8 percentage point; and
- c. Restaurants and Accommodation Services with 0.5 percentage point. (Figure 2)

2. Davao Region Food Inflation

Davao Region’s Food inflation continued to decelerate at 5.0 percent in July 2023 from 6.1 percent in the previous month. In July 2022, Food inflation was higher at 9.7 percent. (Table 3)

**Table 3. CPI and Inflation Rate of Selected Food Items (2018-100), Region XI:
July 2022, June 2023, and July 2023**

Commodity Group	July 2022 Inflation Rate	June 2023 Inflation Rate	July CPI		July 2023 Inflation Rate
			2022	2023	
Food	9.7	6.1	115.7	121.5	5.0
Cereals and cereal products	6.5	6.6	97.0	104.3	7.5
Cereals	6.5	5.4	92.7	98.8	6.6
Rice	3.9	2.5	89.2	93.9	5.2
Corn	22.9	21.5	115.7	131.8	14.0
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	6.5	11.2	116.0	128.6	10.8
Meat and Other Parts of Slaughtered Land Animals	11.6	5.8	138.3	143.2	3.5
Fish and Other Seafood	13.9	0.3	132.5	126.2	-4.8
Milk, Other Dairy Products, and Eggs	4.7	10.9	115.7	126.9	9.7
Oils and Fats	30.8	3.8	142.0	142.0	0.0
Fruits and Nuts	5.6	8.2	106.7	121.2	13.6
Vegetables, tubers, plantains, cooking bananas and pulses	7.8	5.2	117.1	127.6	9.0
Sugar, Confectionery and Desserts	25.1	27.9	128.5	152.2	18.4
Ready-Made Food and Other Food Products N.E.C.	6.0	7.8	117.3	126.0	7.4

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

2.1 Main Drivers to the Downward Trend of Regional Food Inflation

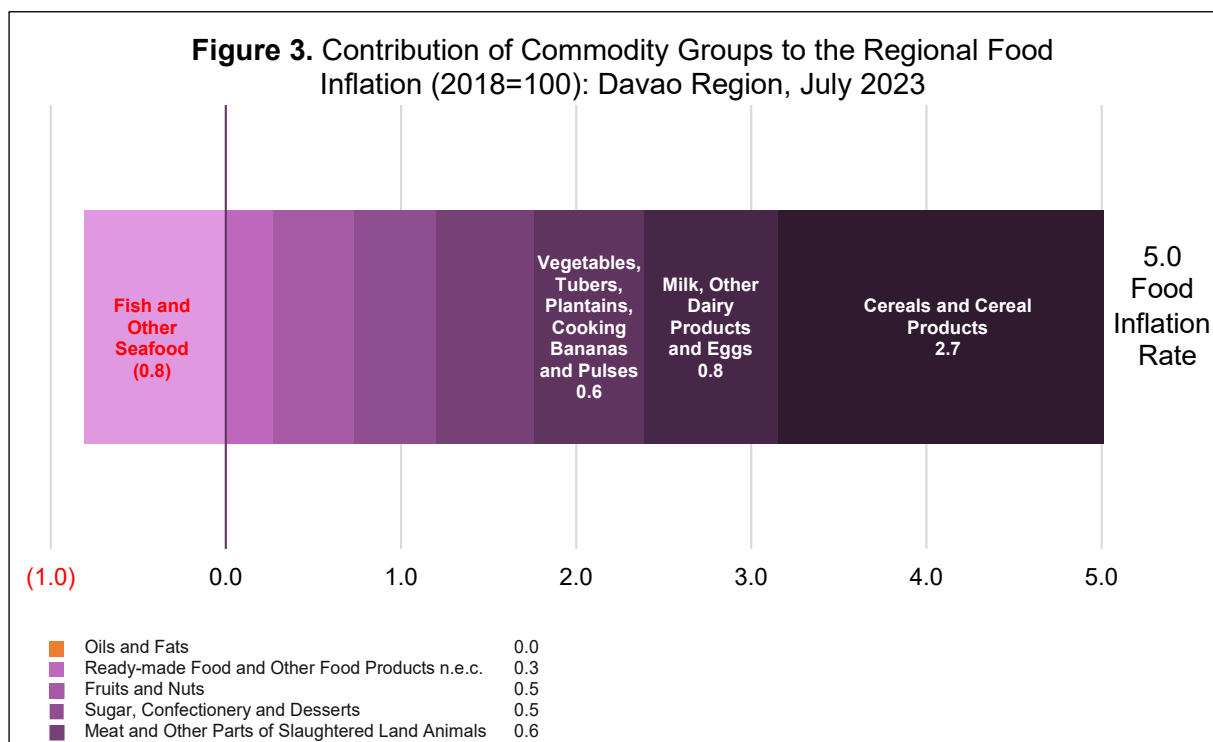
The deceleration of food inflation is primarily influenced by the annual decrease in Fish and Other Seafood at -4.8 percent during the month from 0.3 percent in the previous month. This was followed by Meat and Other Parts of Slaughtered Land Animals at 3.5 percent in July 2023 from 5.8 percent in June 2023. Also contributing to the downtrend was the slower year-on-year growth of Corn at 14.0 percent during the month from 21.5 percent in June 2023.

Additionally, the following food groups displayed reduced uptake in their annual growth rates:

- a. Sugar, Confectionery and Desserts at 18.4 percent;
- b. Milk, Other Dairy Products and Eggs at 9.7 percent;
- c. Oils and Fats at 0.0 percent;
- d. Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals at 10.8 percent; and
- e. Ready-made Food and other Food Products n.e.c. at 7.4 percent.

Meanwhile, higher year-on-year growth rates were observed in the indices of Rice at 5.2 percent from 2.5 percent; Fruits and Nuts at 13.6 percent from 8.2 percent; and Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses at 9.0 percent from 5.2 percent.

2.2 Main Contributors to the Regional Food Inflation



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

The food groups with the highest contribution to food inflation during the month were the following:

- Cereals and Cereals Products, which include Rice, Corn, and Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals, with 2.7 percentage points;
- Milk, Other Dairy Products and Eggs with 0.8 percentage point; and
- Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses with 0.6 percentage point. (Figure 3)

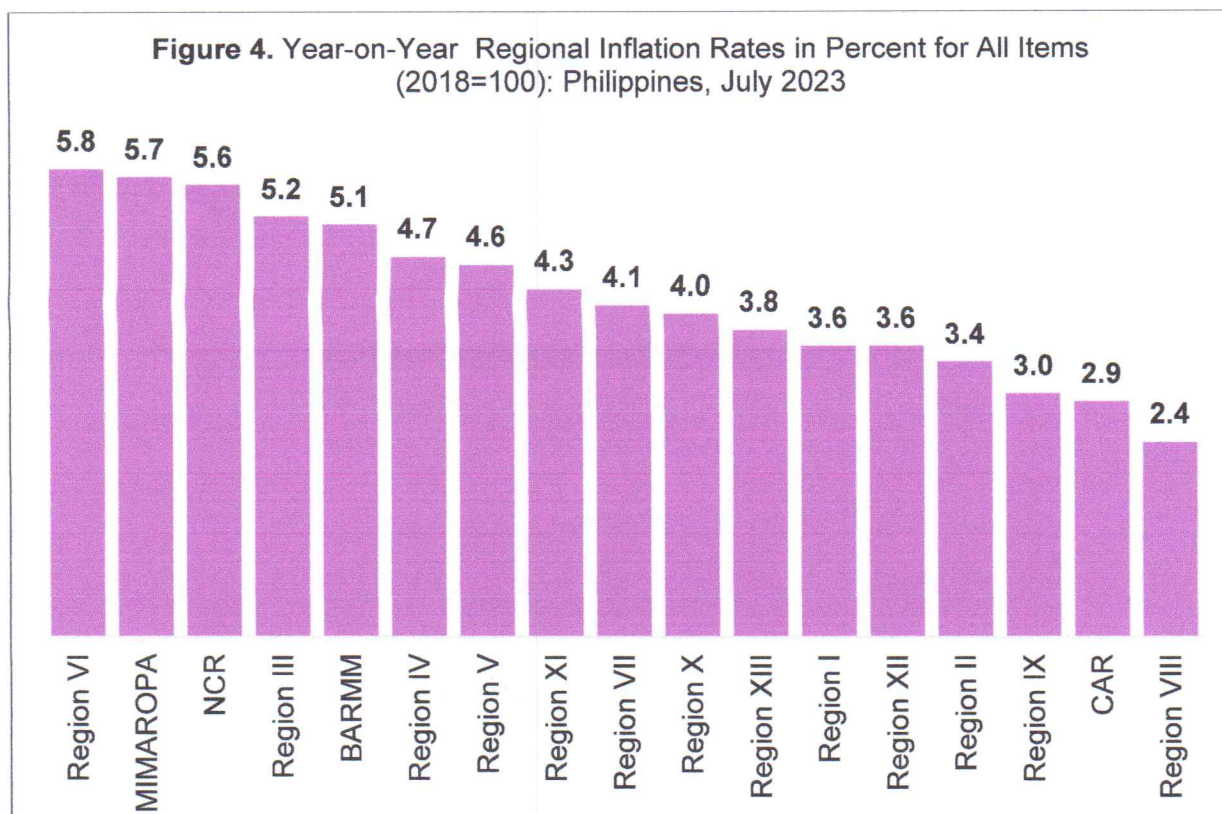
4. Regional Inflation Rates

Table 4. Year-on-Year Regional Inflation Rates for All Items (2018-100): June 2023 and July 2023

Area/Region	June 2023	July 2023	Area/Region	June 2023	July 2023
Philippines	5.4	4.7	VI - Western Visayas	6.8	5.8
NCR	5.6	5.6	VII - Central Visayas	5.0	4.1
CAR	3.2	2.9	VIII - Eastern Visayas	3.3	2.4
I - Ilocos Region	4.3	3.6	IX - Zamboanga Peninsula	4.6	3.0
II - Cagayan Valley	3.6	3.4	X - Northern Mindanao	5.2	4.0
III - Central Luzon	5.9	5.2	XI - Davao Region	5.7	4.3
IV-A - CALABARZON	5.5	4.7	XII - SOCCSKSARGEN	4.9	3.6
MIMAROPA Region	7.2	5.7	XIII - Caraga	4.7	3.8
V - Bicol Region	5.3	4.6	BARMM	6.0	5.1

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

At the national level, the country's headline inflation slowed to 4.7 percent in July 2023, from 5.4 percent in the previous month (Table 4).



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

Among the 17 administrative regions, Western Visayas had the highest inflation at 5.8 percent followed by MIMAROPA at 5.7 percent and NCR at 5.6 percent. On the other hand, Eastern Visayas had the lowest inflation at 2.4 percent. (Figure 4)

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

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TECHNICAL NOTES

Consumer Price Index (CPI)

The CPI is an indicator of the change in the average prices of goods and services commonly purchased by consumers.

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 Period

Base year is a reference period, usually a year, at which the index number is set to 100. It is the reference point of the index number series. The CPI is rebased from the base year 2012 to the base year 2018.

b. Market Basket

Market basket refers to a sample of goods and services commonly purchased by households.

c. Weighting System

The weighting pattern uses the expenditures on various consumer items purchased by households as a proportion of total expenditure.

d. Formula

The 2018-based CPI series uses the same method of computation as the 2012-based CPI series, which is Chained Laspeyres formula.

e. Geographic Coverage

CPI values are computed at the national, regional, and provincial levels, and Highly Urbanized Cities.

Inflation Rate is the rate of change of the CPI expressed in percent. Inflation is interpreted in terms of the declining purchasing power of peso.

Headline Inflation refers to the rate of change in the CPI, a measure of the average standard "basket" of goods and services consumed by a typical family.

Purchasing Power of 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.