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DAVAO ORIENTAL

Special Release

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

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

Area	July 2022	June 2023	July 2023	Year-to-date*
Philippines	7.2	6.1	5.2	7.6
Davao Region	8.6	5.7	4.3	7.4
Davao Oriental	8.5	6.6	5.0	9.0

*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 July 2023 vs. 2022*

The inflation in Davao Oriental decelerated further to 5.0 percent in July 2023, from 6.6 percent in June 2023. This is the lowest inflation observed since March 2022 with an inflation rate of 4.1 percent. This brings the average inflation rate from January to July 2023 to 9.0 percent. In July 2022, inflation was higher at 8.5 percent. (Tables A and B, and Figure 1)

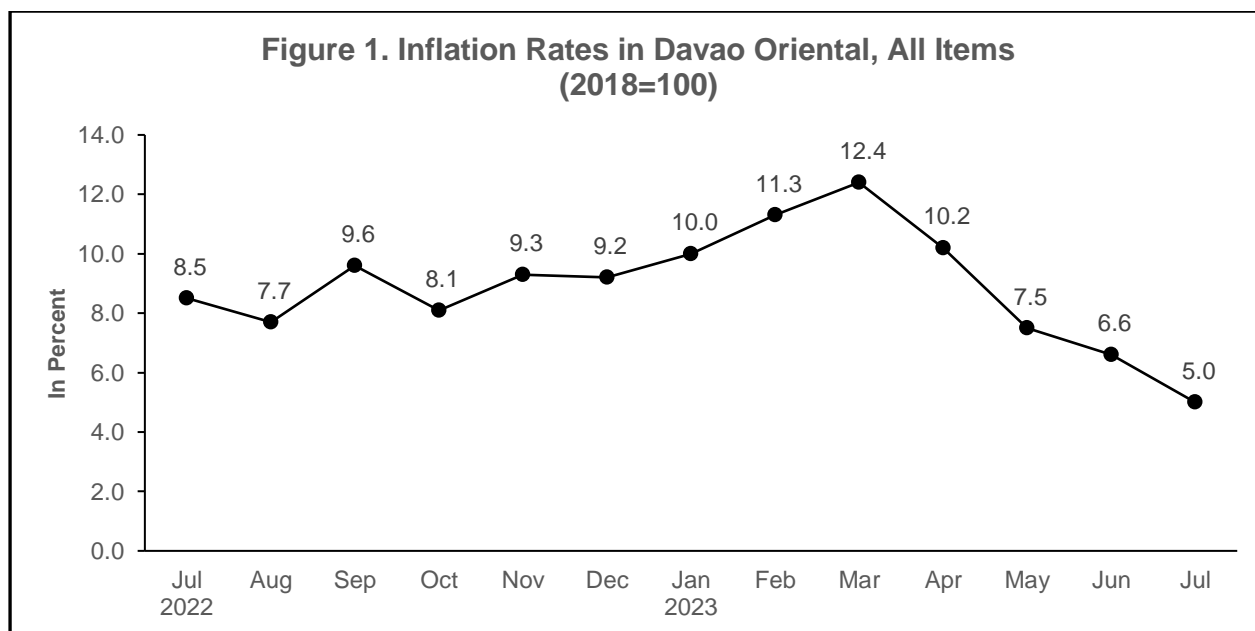


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**Table B. Year-on-Year Inflation Rates in Davao Oriental, All Items
In Percent
January 2019 – July 2023
(2018=100)**

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	
September	-2.9	1.3	8.1	9.6	
October	-2.3	0.7	9.5	8.1	
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	9.0

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



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The slowdown in inflation at the provincial level in July 2023 was primarily due to the lower annual increment recorded in the index for food and non-alcoholic beverages at 6.4 percent, from 7.9 percent in the previous month. This was followed by housing, water, electricity, gas and other fuels with an inflation rate of 1.8 percent from 5.8 percent in June 2023.

Other commodity groups that contributed to the downtrend in the July 2023 inflation were transport and personal care, and miscellaneous goods and services, which registered lower inflation rates during the month at -9.8 percent and 8.2 percent, respectively, compared with their previous month's inflation rates.

Meanwhile, higher inflation rates were observed in the indices of clothing and footwear at 4.4 percent in July 2023 from 4.0 percent in the previous month; furnishings, household equipment and routine household maintenance at 6.5 percent in July 2023 from 6.0 percent in June 2023; recreation, sport and culture at 10.7 percent during the month from 10.6 percent in the previous month; and restaurants and accommodation services at 18.8 percent in July 2023 from 17.9 percent in June 2023.

The indices of the following commodity groups retained their previous month's annual growth rates:

- a. Alcoholic Beverages and Tobacco, 10.9 percent;
- b. Health, 6.0 percent;
- c. Information and Communication, 0.0 percent;
- d. Education Services, 13.1 percent; and
- e. Financial Services, 0.0 percent. (Tables C)

Food inflation slowed down to 6.4 percent in July 2023, from 8.0 percent in June 2023. In July 2022, food inflation was higher at 6.8 percent. (Table D)

The slower food inflation during the month was primarily influenced by the lower annual growth in fish and other seafood at 4.8 percent in July 2023, from 13.4 percent in June 2023. This was followed by corn with an inflation rate of 3.8 percent in July 2023 from 7.9 percent in the previous month. Moreover, slower year-on-year growth rates were observed in the indices of the following food groups during the month:

- a. Flour, bread and other bakery products, pasta products, and other cereals, 6.4 percent;
- b. Meat and other parts of slaughtered land animals, 2.3 percent;
- c. Milk, other dairy products and eggs, 14.5 percent;
- d. Oils and fats, 12.3 percent;

- e. Sugar, confectionery and desserts, 16.0 percent; and
- f. Ready-made food and other food products n.e.c., 5.7 percent;

On the contrary, higher annual increases were observed in the indices of rice at 9.0 percent; fruits and nuts at 5.9 percent; and vegetables, tubers, plantains, cooking bananas and pulses at 6.0 percent. (Table D)

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

Commodity Group	Inflation Rates		
	July 2022	June 2023	July 2023
ALL ITEMS	8.5	6.6	5.0
Food and Non-Alcoholic Beverages	6.8	7.9	6.4
Alcoholic Beverages and Tobacco	11.6	10.9	10.9
Clothing and Footwear	4.5	4.0	4.4
Housing, Water, Electricity, Gas, and Other Fuels	11.8	5.8	1.8
Furnishings, Household Equipment and Routine Household Maintenance	3.1	6.0	6.5
Health	3.4	6.0	6.0
Transport	23.4	-6.2	-9.8
Information and Communication	1.1	0.0	0.0
Recreation, Sport and Culture	4.6	10.6	10.7
Education Services	0.0	13.1	13.1
Restaurants and Accommodation Services	4.6	17.9	18.8
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	5.7	8.7	8.2

*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		
	July 2022	June 2023	July 2023
FOOD	6.8	8.0	6.4
Cereals and cereal products	2.6	5.9	7.3
Cereals (ND)	1.1	5.6	7.6
Rice	2.3	4.9	9.0
Corn	-2.4	7.9	3.8
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	8.3	7.1	6.4
Meat and other parts of slaughtered land animals	10.2	2.4	2.3
Fish and other seafood	4.9	13.4	4.8
Milk, other dairy products and eggs	7.5	15.4	14.5
Oils and fats	6.7	13.8	12.3
Fruits and nuts	1.8	1.4	5.9
Vegetables, tubers, plantains, cooking bananas and pulses	19.3	3.4	6.0
Sugar, confectionery and desserts	39.9	29.4	16.0
Ready-made food and other food products N.E.C.	5.0	6.6	5.7

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

Relative to their annual rates in the previous month, all the provinces/highly urbanized city in Davao Region recorded lower inflation in July 2023. Davao Oriental's inflation of 5.0 percent ranked as the second highest next to Davao City's 6.3 percent. The province of Davao del Norte remained as the province with the lowest inflation rate for the 6th consecutive month at 1.3 percent. (Table E)

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

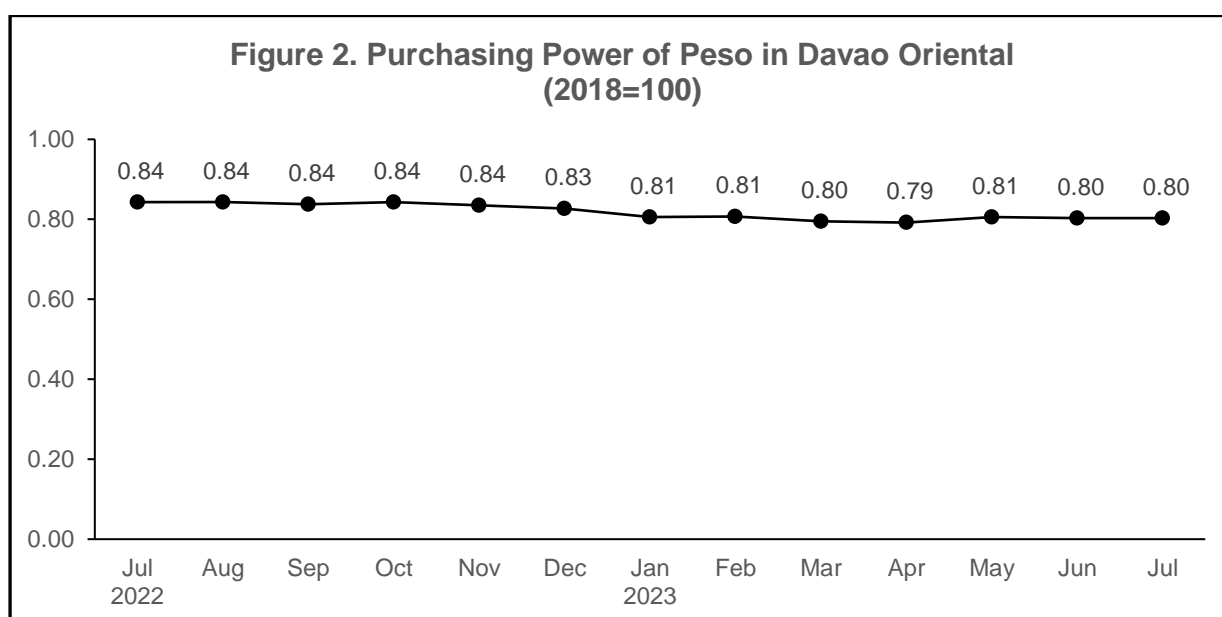
Areas	Inflation Rates		
	July 2022	June 2023	July 2023
Davao Region	8.6	5.7	4.3
Davao Del Norte	7.1	2.5	1.3
Davao City	8.4	7.6	6.3
Davao Del Sur	9.6	4.6	2.7
Davao Oriental	8.5	6.6	5.0
Davao De Oro	12.0	5.5	3.1
Davao Occidental	8.1	3.1	2.1

*Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
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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 0.80. This means that the amount of PhP100.00 in 2018 is equivalent to PhP80.00 in July 2023. In July 2022, the PPP was higher at 0.84. (Figure 2)



*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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