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DAVAO ORIENTAL

Special Release

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

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

Area	May 2022	April 2023	May 2023	Year-to-date*
Philippines	5.4	6.6	6.1	7.5
Davao Region	6.4	7.5	6.3	8.4
Davao Oriental	5.9	10.2	7.5	10.3

**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 May 2023 vs. 2022

The inflation in Davao Oriental slowed down further to 7.5 percent in May 2023, from 10.2 percent in April 2023. Despite the decline, the inflation rate in May 2022 was still lower at 5.9 percent. The average inflation rate for the first five months of the year stood at 10.3 percent. (Tables A and B, and Figure 1)

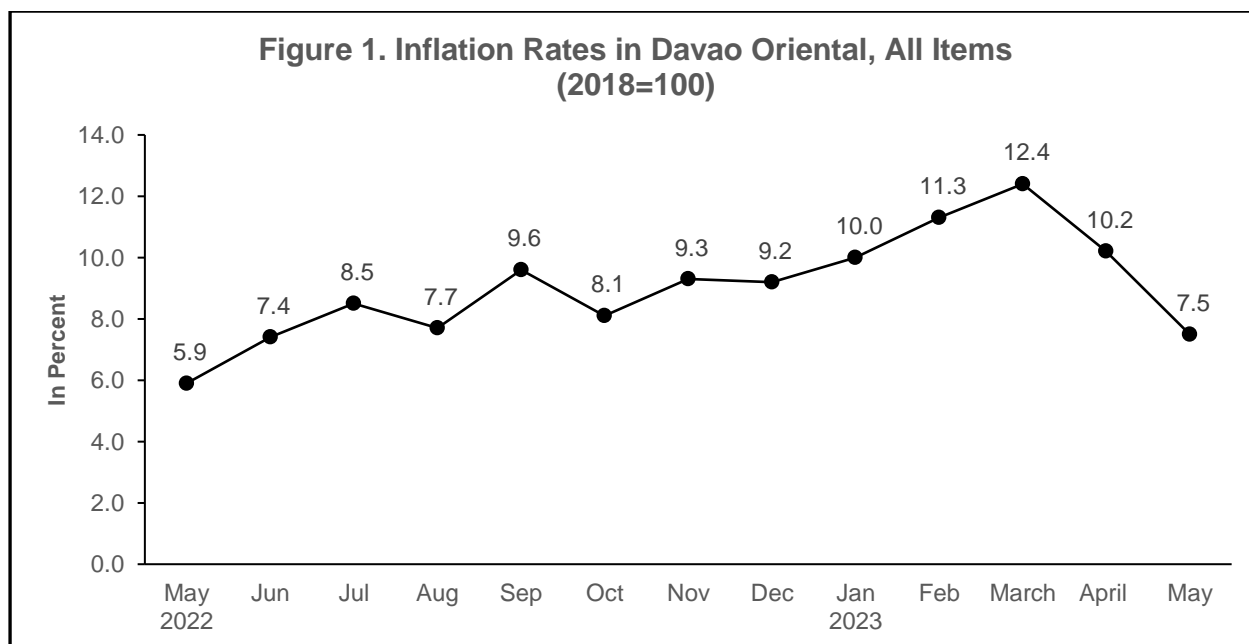


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**Table B. Year-on-Year Inflation Rates in Davao Oriental, All Items
In Percent
January 2019 – May 2023
(2018=100)**

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	
July	-0.2	2.0	7.6	8.5	
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	10.3

*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 May 2023 was primarily due to the lower annual increment recorded in the index for food and non-alcoholic beverages at 8.5 percent, from 12.6 percent in the previous month. This was followed by housing, water, electricity, gas and other fuels with an inflation rate of 7.2 percent from 8.7 percent in April 2023. The index for transport also exhibited lower annual growth at -2.9 percent inflation rate from -0.3 percent in April 2023.

Other commodity groups that contributed to the downtrend in the May 2023 inflation were alcoholic beverages and tobacco, personal care, and miscellaneous goods and services and health, which registered lower inflation rates during the month at 13.2 percent, 9.5 percent and 6.2 percent, respectively, compared with their previous month's inflation rates.

Meanwhile, higher inflation rates were observed in the indices of furnishings, household equipment and routine household maintenance at 6.2 percent in May 2023 from 5.6 percent in April 2023; and recreation, sport and culture at 12.1 percent during the month from 10.8 percent in the previous month.

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

- a. Clothing and Footwear, 4.7 percent;
- b. Information and Communication, 0.0 percent;
- c. Education Services, 13.1 percent;
- d. Restaurants and Accommodation Services, 16.1 percent; and
- e. Financial Services, 0.0 percent. (Tables C)

Food inflation slowed down to 8.4 percent in May 2023, from 12.8 percent in April 2023. In May 2022, food inflation was lower at 3.9 percent. (Table D)

The slower food inflation during the month was primarily influenced by the lower annual growth in fish and other seafood at 6.3 percent in May 2023, from 19.0 percent in April 2023. This was followed by rice with an inflation rate of 4.0 percent in May 2023 from 5.4 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, 8.5 percent;
- b. Meat and other parts of slaughtered land animals, 7.7 percent;
- c. Oils and fats, 16.9 percent;

- d. Fruits and nuts, 11.5 percent;
- e. Vegetables, tubers, plantains, cooking bananas and pulses, 13.3 percent;
- f. Sugar, confectionery and desserts, 31.4 percent; and
- g. Ready-made food and other food products n.e.c., 9.0 percent;

On the contrary, higher annual increases were observed in the indices of corn at 8.8 percent; and milk, other dairy products and eggs at 13.8 percent. (Table D)

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

Commodity Group	Inflation Rates		
	May 2022	April 2023	May 2023
ALL ITEMS	5.9	10.2	7.5
Food and Non-Alcoholic Beverages	3.9	12.6	8.5
Alcoholic Beverages and Tobacco	9.3	17.2	13.2
Clothing and Footwear	4.4	4.7	4.7
Housing, Water, Electricity, Gas, and Other Fuels	8.3	8.7	7.2
Furnishings, Household Equipment and Routine Household Maintenance	3.3	5.6	6.2
Health	3.6	6.4	6.2
Transport	18.6	-0.3	-2.9
Information and Communication	1.1	0.0	0.0
Recreation, Sport and Culture	3.5	10.8	12.1
Education Services	0.0	13.1	13.1
Restaurants and Accommodation Services	4.2	16.1	16.1
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	4.1	10.1	9.5

*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		
	May 2022	April 2023	May 2023
FOOD	3.9	12.8	8.4
Cereals and cereal products	3.0	7.1	5.9
Cereals (ND)	1.9	6.2	5.2
Rice	0.5	5.4	4.0
Corn	6.6	8.5	8.8
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	7.0	10.2	8.5
Meat and other parts of slaughtered land animals	6.3	11.5	7.7
Fish and other seafood	-2.2	19.0	6.3
Milk, other dairy products and eggs	8.0	10.6	13.8
Oils and fats	7.8	17.8	16.9
Fruits and nuts	3.0	14.1	11.5
Vegetables, tubers, plantains, cooking bananas and pulses	15.0	20.3	13.3
Sugar, confectionery and desserts	23.4	33.0	31.4
Ready-made food and other food products N.E.C.	0.8	9.5	9.0

*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 May 2023. Davao Oriental's inflation of 7.5 percent ranked as the second highest next to Davao City's 7.7 percent. The province of Davao del Norte remained as the province with the lowest inflation rate for the fifth consecutive month at 3.1 percent. (Table E)

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

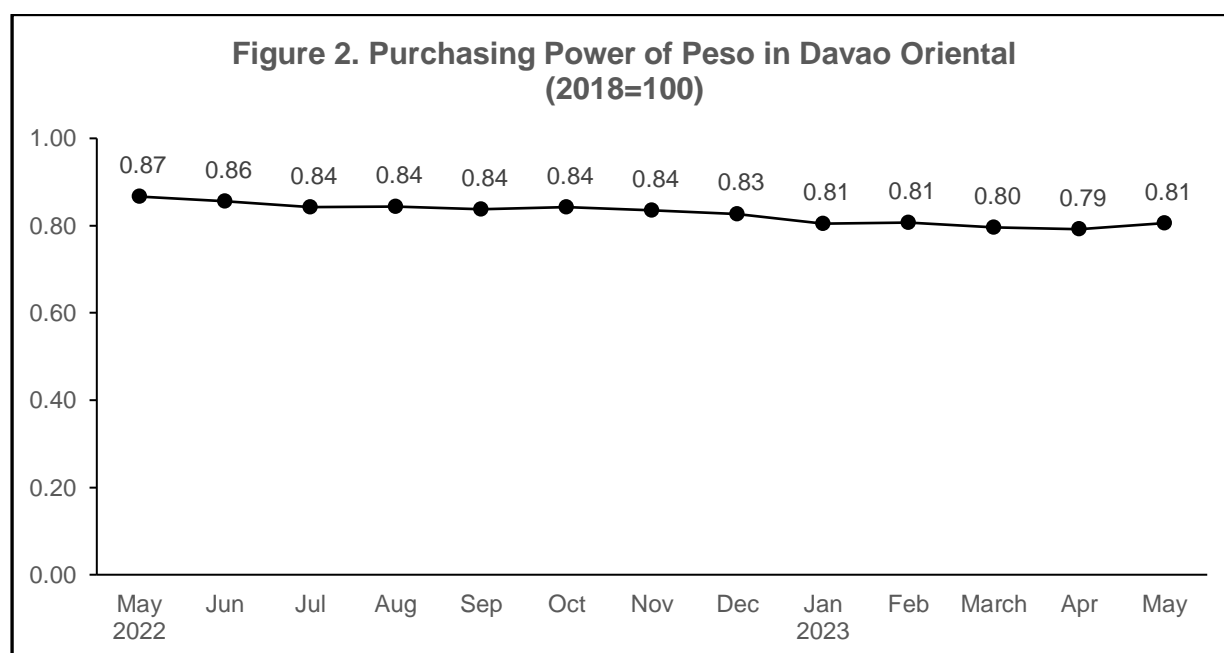
Areas	Inflation Rates		
	May 2022	April 2023	May 2023
Davao Region	6.4	7.5	6.3
Davao Del Norte	4.7	4.2	3.1
Davao City	6.7	8.8	7.7
Davao Del Sur	6.8	6.4	5.0
Davao Oriental	5.9	10.2	7.5
Davao De Oro	9.0	8.1	6.6
Davao Occidental	5.1	7.0	5.3

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 stood at 0.81. This means that the amount of PhP100.00 in 2018 is equivalent to PhP81.00 in May 2023. In May 2022, the PPP was higher at 0.87. (Figure 2)



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