



SPECIAL RELEASE

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

Date of Release: 08 August 2023
Reference No. SR-2023-08PSO24-022

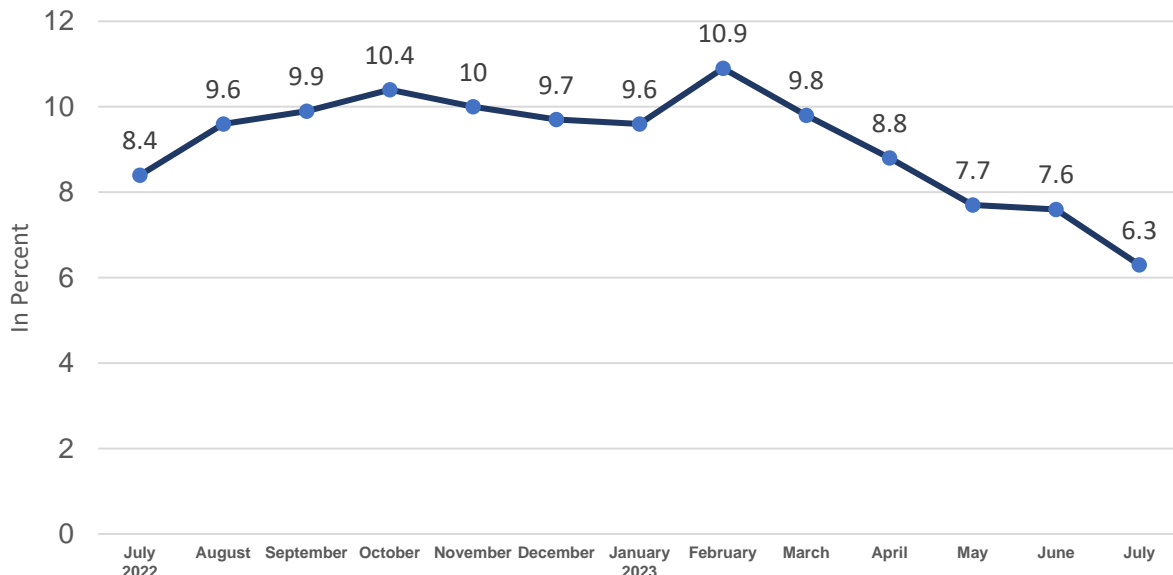
**Table A. Year-on-Year Inflation Rates, All Items
In Percent (2018=100)**

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 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 average CPI for May 2023 vs. 2022

**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 2023, the headline inflation rate or the overall inflation in the City of Davao showed a continued decrease, dropping by 1.3 percentage points to 6.3 percent from 7.6 percent in June 2023. Furthermore, the current headline inflation rate was 2.1 percentage points lower than the rate reported in July 2022. Meanwhile, the average inflation rate from January to July 2023 was at 8.7 percent. (Table A and Figure 1).

1.1 Main Drivers to the Downward Trend of the Headline Inflation

Among the 13 commodity groups, the slower headline inflation in July 2023 was primarily brought about by the decline in the index of (1) Restaurants and Accommodation Services at 8.0 percent down from 12.1 percent in the previous month. Also pulling down the overall headline inflation in the city was (2) Transport at -2.7 percent down from 0.8 in the previous month. The third commodity group with the largest share to the decreasing trend was (3) Housing, Water, Gas, and Other Fuels at 9.0 percent, which dropped from 10.4 percent in the previous month.

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

- a. Food and Non-Alcoholic Beverages, 5.9 percent;
- b. Personal Care, and Miscellaneous Goods and Services, 7.5 percent;
- c. Furnishings, Household Equipment and Routine Household Maintenance, 6.7 percent;
- d. Clothing and Footwear, 8.4 percent;
- e. Recreation, Sport and Culture, 5.0 percent;
- f. Alcoholic Beverages and Tobacco, 19.0 percent;

The rest of the commodity groups, on the other hand, remained equal except for Health which increased from 6.4 percent in June to 6.7 percent in July 2023.

2. Food Inflation

Meanwhile, food inflation decrease to 5.2 percent in July 2023 from 5.6 in the previous month. The decrease was mainly due to (1) Fish and other Seafood at -10.3 percent, down from -6.4 percent in the previous month; (2) Meat and Other Parts of Slaughtered Land Animals at 6.3 percent, down from 7.6 percent in the previous month; and (3) Sugar, Confectionery and Desserts at 22.9 percent, down from 30.4 percent in the previous month. In addition, the following food groups also exhibited lower rates in July 2023:

- a. Corn, 55.7 percent;
- b. Milk, Other Dairy Products and Eggs, 13.0 percent;
- c. Oils and Fats, 10.8 percent;
- d. Sugar, Confectionery, and Desserts, 22.9 percent;
- e. Ready-Made Food and Other Food Products n.e.c, 9.7 percent;

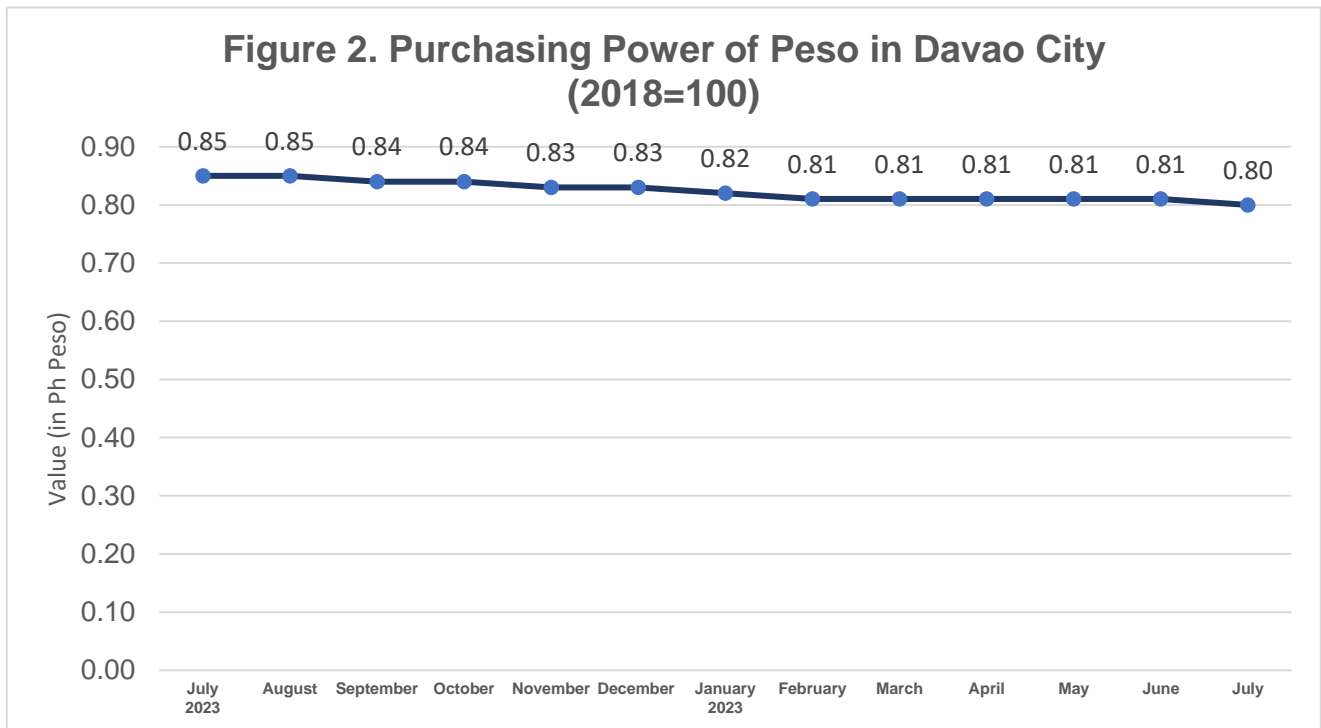
The rest of the food groups, on the other hand, exhibited higher rates except for one. Flour, Bread, and Other Bakery Products, Past Products, and Other Cereals remained equal which stood at 13.4 percent.

**Table B. Year-on-Year Inflation Rates in Davao City, All Items in Percent
January 2020 – July 2023
(2018=100)**

Month	Year			
	2020	2021	2022	2023
January	2.6	1.1	5.0	9.6
February	2.9	1.9	4.6	10.9
March	2.1	2.9	5.1	9.8
April	1.6	3.6	5.1	8.8
May	1.6	3.7	6.7	7.7
June	1.5	3.7	7.0	7.6
July	1.1	4.2	8.4	6.3
August	0.4	4.2	9.6	
September	0.9	3.6	9.9	
October	1.8	2.8	10.4	
November	1.1	4.3	10.0	
December	0.9	4.2	9.7	
Average	1.5	3.3	7.6	8.7

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

Furthermore, the Purchasing Power of Peso (PPP) in Davao City declined to 0.80 in July 2023, down from the 0.81 recorded in the preceding month. Comparatively, the PPP was at 0.85 in July 2022 (as shown in Figure 2).



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.

Approved for Release:



ROGELIO T. DEBRIA
Chief Statistical Specialist
Davao del Sur Provincial Statistical Office


KLO