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Davao Region's Inflation up by 2.2% in January 2020

The inflation rate in Davao region jumps at 2.2 percent in January 2020 from the 2.0 percent of the previous month. This is the highest inflation recorded since June 2019 (see figure 1). However, the reported inflation rate is lower as compared to its inflation rate in the previous year (4.7%). The purchasing power of peso (PPP) stayed at 82 centavos (see table 1).

As a result, the inflation rate per province also increased except for Davao del Sur which has a 1.7 percent inflation. Among the provinces, Davao de Oro (formerly Compostela Valley) obtain the highest inflation at 3.0 percent followed by Davao del Norte (2.7%) and Davao Oriental (2.3%) which also have higher inflation as compared to the region's inflation.

Table 1. Year-on-Year Provincial Inflation Rates (All Items) and Peso Purchasing Power, Region XI (2012=100)

AREA	January 2020	December 2019	January 2019	PPP January 2020
REGION XI	2.2	2.0	4.7	0.82
Davao del Sur	1.7	1.8	5.5	0.82
Davao del Norte	2.7	2.2	3.1	0.81
Davao de Oro	3.0	2.8	4.9	0.80
Davao Oriental	2.3	1.6	2.9	0.80

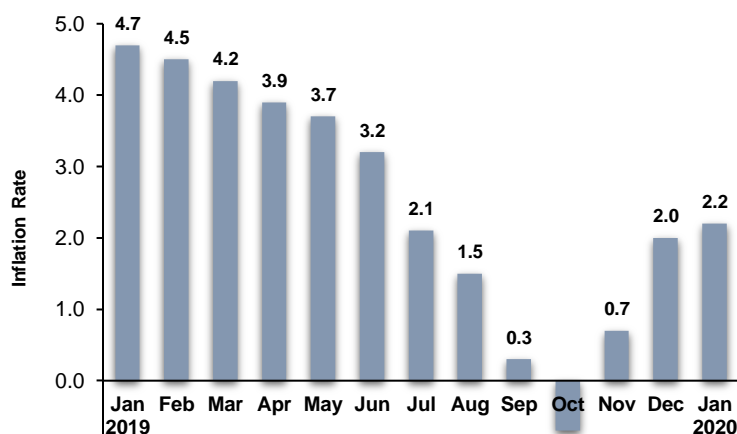
Source: PSA

The increasing trend of inflation in January was attributed primarily to the 3.0 percent annual increase in the index of Housing, Water, Electricity, Gas, and Other Fuels from a 1.9 percent rate in December. Higher annual increases were also recorded in indices of the following commodity groups:

- Alcoholic Beverages and Tobacco, 13.8%;
- Transport, 3.7%; and
- Clothing and Footwear, 3.6% (see table 2).

Meanwhile, commodity groups such as Health; Restaurant and Miscellaneous Goods and Services; and Furnishing, Household Equipment and Routine Maintenance of the House showed a slower annual decrease in their indices at 4.5, 3.5 and 4.2 percent, respectively (see table 2).

Figure 1. Inflation rate in Davao Region, All Items (2012=100)



Source: PSA

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On the other hand, Food and Non-Alcoholic Beverages, 0.2%; Recreation and Culture, 3.0%; Education, 3.1%; and Communication, 0.0% keep its previous month's annual rate. (see Table 2).

**Table 2. CPI and Inflation Rate by Commodity Group, Region XI
(2012 = 100)**

COMMODITY GROUP	JANUARY		Inflation Rate	DECEMBER		Inflation Rate
	2020	2019		2019	2018	
All Items	123.1	120.5	2.2	122.3	119.9	2.0
Food and Non-Alcoholic Beverages	123.2	122.9	0.2	121.6	121.3	0.2
Alcoholic Beverages and Tobacco	186.0	163.5	13.8	185.0	163.4	13.2
Clothing and Footwear	128.6	124.1	3.6	128.3	124.1	3.4
Housing, Water, Electricity, Gas, and Other Fuels	123.1	119.5	3.0	122.9	120.6	1.9
Furnishing, Household Equipment and Routine Maintenance of the House	124.0	119.0	4.2	123.9	118.8	4.3
Health	125.9	120.5	4.5	125.8	120.2	4.7
Transport	106.8	103.0	3.7	106.9	103.6	3.2
Communication	102.9	102.9	0.0	102.9	102.9	0.0
Recreation and Culture	122.6	119.0	3.0	122.5	118.9	3.0
Education	122.2	118.5	3.1	122.2	118.5	3.1
Restaurant and Miscellaneous Goods and Services	127.3	123.0	3.5	127.3	122.8	3.7

Source: PSA

A significant increase in the annual rate of selected food items was noted in Food Products, N.E.C (10.6% from 9.2); Rice (-9.2% from -10.0%); and Meat (2.3% from 1.6%). In addition, the following selected items registered higher annual rates in January 2020:

- Bread and Cereals, -6.6 percent;
- Corn, -10.3 percent;
- Vegetables, 4.9 percent;
- Milk, Cheese, and Egg, 2.7 percent;
- Sugar, Jam, Honey, Chocolate and Confectionery, -6.9 percent; and
- Oils and Fats, 2.2 percent.

**Table 3. CPI and Inflation Rate of Selected Food Items, Region XI
(2012 = 100)**

SELECTED ITEMS	JANUARY		Inflation Rate	DECEMBER		Inflation Rate
	2020	2019		2019	2018	
BREAD AND CEREALS	108.0	115.6	-6.6	108.1	116.4	-7.1
RICE	104.8	115.5	-9.2	104.9	116.5	-10.0
CORN	100.8	112.4	-10.3	101.1	113.1	-10.6
OTHER CEREALS, FLOUR, CEREAL PREPARATION, BREAD, PASTA AND OTHER BAKERY PRODUCTS	123.3	117.6	4.8	123.2	117.5	4.9
MEAT	126.3	123.5	2.3	125.8	123.8	1.6
FISH	143.7	137.5	4.5	135.5	126.0	7.5
MILK, CHEESE AND EGG	126.4	123.1	2.7	126.1	123.1	2.4
OILS AND FATS	124.1	121.4	2.2	124.0	121.4	2.1
FRUITS	139.4	121.7	14.5	138.8	119.8	15.9
VEGETABLES	128.5	122.5	4.9	126.8	121.2	4.6
SUGAR, JAM, HONEY, CHOCOLATE AND CONFECTIONERY	119.6	128.4	-6.9	119.5	128.6	-7.1
FOOD PRODUCTS, N.E.C.	140.3	126.8	10.6	139.5	127.8	9.2

Source: PSA

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On the other hand, a significant annual decrease was noted in the index of Fish (4.5% from 7.5%) while selected food items such as Fruits (14.5% from 15.9%) and Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products (4.8% from 4.9%) presented a slight decrease on their annual rate (see table 3).

Among the 17 administrative regions, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) remained to be the region with the lowest inflation at 1.0 percent and the highest inflation was still reported in Bicol region (3.9%). Moreover, regions with lower rates than the national inflation were NCR, CAR, Ilocos Region; Cagayan Valley; Central and Eastern Visayas; Northern Mindanao; Davao Region; SOCCSKSARGEN; Caraga Region; and BARMM while regions with higher inflation were Central Luzon, CALABARZON, MIMAROPA, Bicol Region, Western Visayas, and Zamboanga Peninsula (see Table 4).

BARMM still has the lowest inflation among the 6 regions in Mindanao at 1.0 percent while Zamboanga Peninsula got the highest inflation at 3.5 percent from the 1.2 percent in December 2019 (see Table 5).

**Table 4. Year-on-Year Regional Inflation Rates (All Items)
January 2020 (2012=100)**

AREA/REGION	Inflation Rate	AREA/REGION	Inflation Rate
Philippines	2.9	VI - Western Visayas	3.2
NCR - National Capital Region	2.7	VII - Central Visayas	2.6
CAR	2.8	VIII - Eastern Visayas	2.0
I - Ilocos Region	2.6	IX - Zamboanga Peninsula	3.5
II - Cagayan Valley	2.0	X - Northern Mindanao	2.1
III - Central Luzon	3.5	XI - Davao Region	2.2
IV-A - CALABARZON	3.5	XII - SOCCSKSARGEN	2.3
MIMAROPA	3.2	XIII - Caraga	2.6
V - Bicol Region	3.9	BARMM	1.0


Source: PSA

**Table 5. Year-on-Year Regional Inflation Rates (All Items)
January 2020 and December 2019 (2012=100), Mindanao**

AREA/REGION	Current	Previous
Philippines	2.9	2.5
IX - Zamboanga Peninsula	3.5	1.2
X - Northern Mindanao	2.1	1.4
XI - Davao Region	2.2	2.0
XII - SOCCSKSARGEN	2.3	2.2
XIII - Caraga	2.6	2.2
BARMM – Bangsamoro Autonomous Region in Muslim Mindanao	1.0	0.8

Source: PSA

Approved for released:


PEPITO D. AMOYEN
(Chief Statistical Specialist)
Officer-in-Charge
PSA Regional Statistical Services Office XI