BAGONG PILIPINAS

Special Release

Summary Inflation Report of Davao Oriental Consumer Price Index for the Bottom 30% Income Households (2018=100)

October 2024

Date of Release: <u>06 November 2024</u>
Reference No. <u>SR-1125-2024-014</u>

Table A. Year-on-Year Inflation Rates for the Bottom 30% Income Households, All Items In Percent (2018=100)

Area	October 2023	September 2024	October 2024	*Year-to-date**
Philippines	5.3	2.5	3.4	4.5
Davao Region	4.2	2.9	2.3	4.8
Davao Oriental	8.0	2.7	1.3	5.0

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
Philippine Statistics Authority
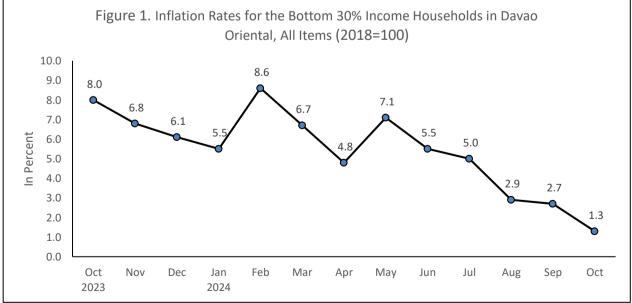** Year-on-year change of average CPI for January to October 2024 vs. 2023*

The inflation rate for the bottom 30% income households in the province further decelerated to 1.3 percent in October 2024 from 2.7 percent in September 2024. This brings the average inflation for this income group from January to October 2024 to 5.0 percent. In October 2023, inflation rate was higher at 8.0 percent. (Tables A and B, and Figure 1)

Table B. Year-on-Year Inflation Rates for the Bottom 30% Income Households in Davao Oriental, All Items: January 2020 – October 2024 In Percent (2018=100)

Month	Year				
	2020	2021	2022	2023	2024
January	1.4	1.0	9.7	9.8	5.5
February	-0.4	3.8	5.2	11.7	8.6
March	-0.1	6.0	4.9	13.4	6.7
April	1.2	5.7	6.0	12.1	4.8
May	1.4	5.6	5.6	8.8	7.1
June	2.0	4.4	8.1	7.4	5.5
July	1.9	6.3	9.4	5.2	5.0
August	1.3	9.1	9.2	6.6	2.9
September	1.2	8.0	11.2	6.3	2.7
October	-0.4	10.5	8.6	8.0	1.3
November	1.5	7.0	10.9	6.8	
December	-0.3	9.6	10.2	6.1	
Average	0.9	6.4	8.3	8.5	5.0

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

Figure 1. Inflation Rates for the Bottom 30% Income Households in Davao Oriental, All Items (2018=100)

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

Miel Bldg., Rizal Extension, City of Mati, Davao Oriental 8200
Tel. No.: (087) 306-1824
Email Address: davaooriental@psa.gov.ph

The overall inflation downtrend for this income group in October 2024 was mainly driven by a sharper annual decrease in the food and non-alcoholic beverages index, which dropped to 4.0 percent from 5.6 percent in September. The inflation rate for housing, water, electricity, gas, and other fuels also saw a significant decline, falling to -10.2 percent from -6.3 percent in the previous month. Additionally, clothing and footwear contributed to the downtrend, with a faster annual decline of 2.2 percent in October compared to a 2.4 percent decrease in September.

Table C. Year-on-Year Inflation Rates for the Bottom 30% Income Households   in Davao Oriental, by Commodity Group
In Percent
(2018=100)

Commodity Group	Inflation Rates		
	October 2023	September 2024	October 2024
ALL ITEMS	8.0	2.7	1.3
Food and Non-Alcoholic Beverages	9.2	5.6	4.0
Alcoholic Beverages and Tobacco	11.2	1.2	1.2
Clothing and Footwear	2.1	2.4	2.2
Housing, Water, Electricity, Gas, and Other Fuels	1.2	-6.3	-10.2
Furnishings, Household Equipment and Routine Household Maintenance	9.2	2.6	2.7
Health	3.0	2.8	2.8
Transport	1.2	-6.8	-5.8
Information and Communication	0.0	1.1	1.1
Recreation, Sport and Culture	14.2	10.8	10.8
Education Services	11.0	2.4	2.4
Restaurants and Accommodation Services	17.0	-0.2	-0.2
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	9.8	1.6	1.8

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

On the contrary, higher annual increase were noted in the indices of the following commodity groups during the month:

a. Furnishings, household equipment and routine household maintenance, 2.7 percent from 2.6 percent;
b. Transport, -5.8 percent from -6.8 percent; and
c. Personal care, and miscellaneous goods and services, 1.8 percent from 1.6 percent.

The indices of the rest of the commodity groups retained their respective previous month's annual rates. (Tables C)

At the provincial level, food inflation slowed to 4.1 percent in October 2024, down from 5.9 percent in the previous month. In October 2023, the inflation rate was significantly higher at 9.3 percent (Table D).

The slowdown in food inflation in October 2024 was primarily driven by a slower year-on-year increase in the rice index, which dropped to 9.1 percent from 12.8 percent in September. Corn also contributed to the decline, with its inflation rate easing to 1.6 percent from 15.1 percent the previous month.

Moreover, slower annual rates were also observed in the indices of the following food groups during the month:

a. Vegetables, tubers, plantains, cooking bananas and pulses, 6.5 percent from 8.0 percent;
b. Ready-made food and other food products N.E.C., 3.7 percent from 6.4 percent;
c. Oils and fats, 7.6 percent from 9.1 percent; and
d. Flour, bread and other bakery products, pasta products, and other cereals, 1.8 percent from 1.9 percent.

In contrast, faster annual growth rates were noted in the indices of the following food groups:

a. Meat and other parts of slaughtered land animals, -1.7 percent from -2.1 percent;
b. Fish and other seafood, 4.5 percent from 4.1 percent;
c. Milk, other dairy products and eggs, 1.3 percent from -2.1 percent;
d. Fruits and nuts, 1.1 percent from -4.4 percent; and
e. Sugar, confectionery and desserts, -14.3 percent from -17.3 percent. (Table D)

Table D. Year-on-Year Inflation Rates for the Bottom 30% Income Households   in Davao Oriental, by Food Group
In Percent
(2018=100)

Food Group	Inflation Rates		
	October 2023	September 2024	October 2024
FOOD	9.3	5.9	4.1
Cereals and cereal products	18.8	11.8	6.7
Cereals (ND)	20.9	13.3	7.4
Rice	26.0	12.8	9.1
Corn	6.5	15.1	1.6
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	5.4	1.9	1.8
Meat and other parts of slaughtered land animals	4.9	-2.1	-1.7
Fish and other seafood	-2.8	4.1	4.5
Milk, other dairy products and eggs	26.8	-2.1	1.3
Oils and fats	2.9	9.1	7.6
Fruits and nuts	16.2	-4.4	1.1
Vegetables, tubers, plantains, cooking bananas and pulses	-0.8	8.0	6.5
Sugar, confectionery and desserts	-11.0	-17.3	-14.3
Ready-made food and other food products N.E.C.	2.1	6.4	3.7

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/).

Approved for release:

EMILY P. TOMOGDAN
Chief Statistical Specialist