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DAVAO ORIENTAL

SPECIAL RELEASE

Summary Inflation Report of Davao Oriental Consumer Price Index (2018=100) August 2022

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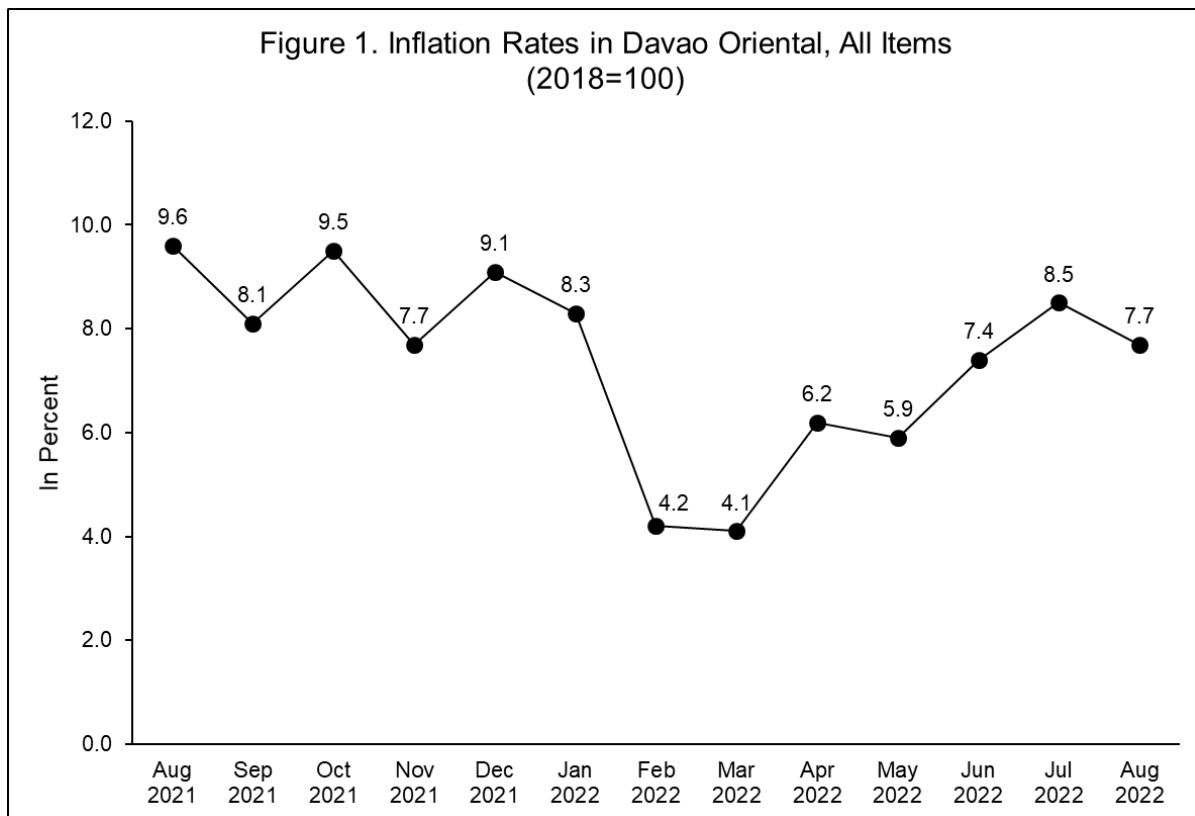
**Table A. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)**

Area	Aug 2021	Jul 2022	Aug 2022	Year-to-date*
Philippines	4.4	6.4	6.3	4.9
Davao Region	4.7	8.6	8.9	6.3
Davao Oriental	9.6	8.5	7.7	6.6

*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 August 2022 vs. 2021*

The inflation in Davao Oriental eases to 7.7 percent in August 2022. This is a slight decrease of 0.8 percentage points compared with the 8.5 percent inflation recorded in July 2022. During the same period in 2021, inflation in the province was observed at 9.6 percent. The average inflation for the first 8 months of the year stood at 6.6 percent. (Table A and B, and Figure 1)



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

The decrease in the province's inflation during the period was mainly due to the decline in the annual increment of the heavily weighted index for Food and Non-alcoholic Beverages which was computed at 5.7 percent during the month. This is 1.1 percentage points lower than the 6.8 percent inflation recorded in July 2022. The indices of Transport (17.2%) and Furnishings, Household Equipment and Routine Household Maintenance (3.0%) also had a downward trend this month.

Meanwhile, inflation in the index of Education Services increased to 13.1 percent; its first movement since May 2020. Housing, Water, Electricity, Gas, and Other Fuels also increased from 11.8 percent in July 2022 to 13.0 percent in August 2022. The following indices also showed an upward trend during the period:

- Personal Care, and Miscellaneous Goods and Services, 6.0 percent;
- Clothing and Footwear, 5.3 percent;
- Recreation, Sport, and Culture, 4.9 percent;
- Health, 3.8 percent.

The rest of the commodity groups either retained their previous month's inflation rates or had zero percent annual growths.

Moreover, the index for Food and Non-alcoholic Beverages remained to be the biggest contributor to the province's inflation with 38.7 percent. This was followed by the indices of Housing, Water, Electricity, Gas, and Other Fuels with 26.0 percent and by Transport with 18.9 percent.

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

Commodity Group	Inflation Rates		
	Aug 2021	Jul 2022	Aug 2022
ALL ITEMS	9.6	8.5	7.7
Food and Non-Alcoholic Beverages	11.7	6.8	5.7
Alcoholic Beverages and Tobacco	9.2	11.6	11.6
Clothing and Footwear	5.8	4.5	5.3
Housing, Water, Electricity, Gas, and Other Fuels	7.3	11.8	13.0
Furnishings, Household Equipment and Routine Household Maintenance	3.7	3.1	3.0
Health	2.7	3.4	3.8
Transport	8.7	23.4	17.2
Information and Communication	1.8	1.1	1.1
Recreation, Sport and Culture	8.5	4.6	4.9
Education Services	0.0	0.0	13.1
Restaurants and Accommodation Services	10.5	4.6	4.6
Financial Services	46.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	6.8	5.7	6.0

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

Additionally, the annual increments for food index decreased by 1.1 percentage points from 6.8 percent in the preceding month to 5.8 percent in August 2022. In August 2021, inflation for food index was observed at 12.3 percent. (Table D)

The annual growth rate of Fish and Other Seafood decreased to -2.4 percent from 4.9 percent in the previous month. Other food groups which inflation declined during the month include Corn (-5.3%); Vegetables, Tubers, Plantains, Cooking Bananas and Pulses (17.4%);

Rice (1.8%); and Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals (7.9%).

On the other hand, inflation in the food group of Sugar, Confectionery, and Desserts rose to 55.3 percent from 39.9 percent in the previous month. Oils and Fats also increased to 13.3 percent from 6.7 percent. The following food groups also exhibited an upward trend during the month:

- Fruits and Nuts, 6.5 percent;
- Meat and Other Parts of Slaughtered Land Animals, 14.0 percent;
- Ready-made Food and Other Food Products n.e.c., 6.4 percent; and
- Milk, Other Dairy Products and Eggs, 7.9 percent.

Among food groups, Meat and Other Parts of Slaughtered Land Animals (14.0%) was the largest contributor to inflation with 35.2 percent. This was followed Vegetables, Tubers, Plantains, Cooking Bananas and Pulses (17.4%) with 20.9 percent and by Sugar, Confectionery, and Desserts (55.3%) with 20.4 percent.

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

Food Group	Inflation Rates		
	Aug 2021	Jul 2022	Aug 2022
FOOD	12.3	6.8	5.7
Cereals and cereal products	3.0	2.6	1.5
Cereals	2.5	1.1	-0.1
Rice	-6.9	2.3	1.8
Corn	41.4	-2.4	-5.3
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	4.8	8.3	7.9
Meat and other parts of slaughtered land animals	25.8	10.2	14
Fish and other seafood	28.8	4.9	-2.4
Milk, other dairy products and eggs	7.8	7.5	7.9
Oils and fats	10.8	6.7	13.3
Fruits and nuts	-4.1	1.8	6.5
Vegetables, tubers, plantains, cooking bananas and pulses	12.1	19.3	17.4
Sugar, confectionery and desserts	5.4	39.9	55.3
Ready-made food and other food products n.e.c.	-0.6	5.0	6.4

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

During the period, Davao Oriental’s inflation was lower than Davao Region’s average of 8.9 percent but higher than the country’s average of 6.3 percent.

Among provinces and highly urbanized city in Davao Region, Davao Oriental’s inflation of 7.7 percent ranked as the second lowest next to Davao del Norte’s 6.9 percent. Davao de Oro’s inflation of 10.2 percent remains the highest in the region; followed by Davao City’s 9.6 percent, by Davao Occidental’s 8.7 percent, and Davao del Sur’s 8.3 percent. (Table E)

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

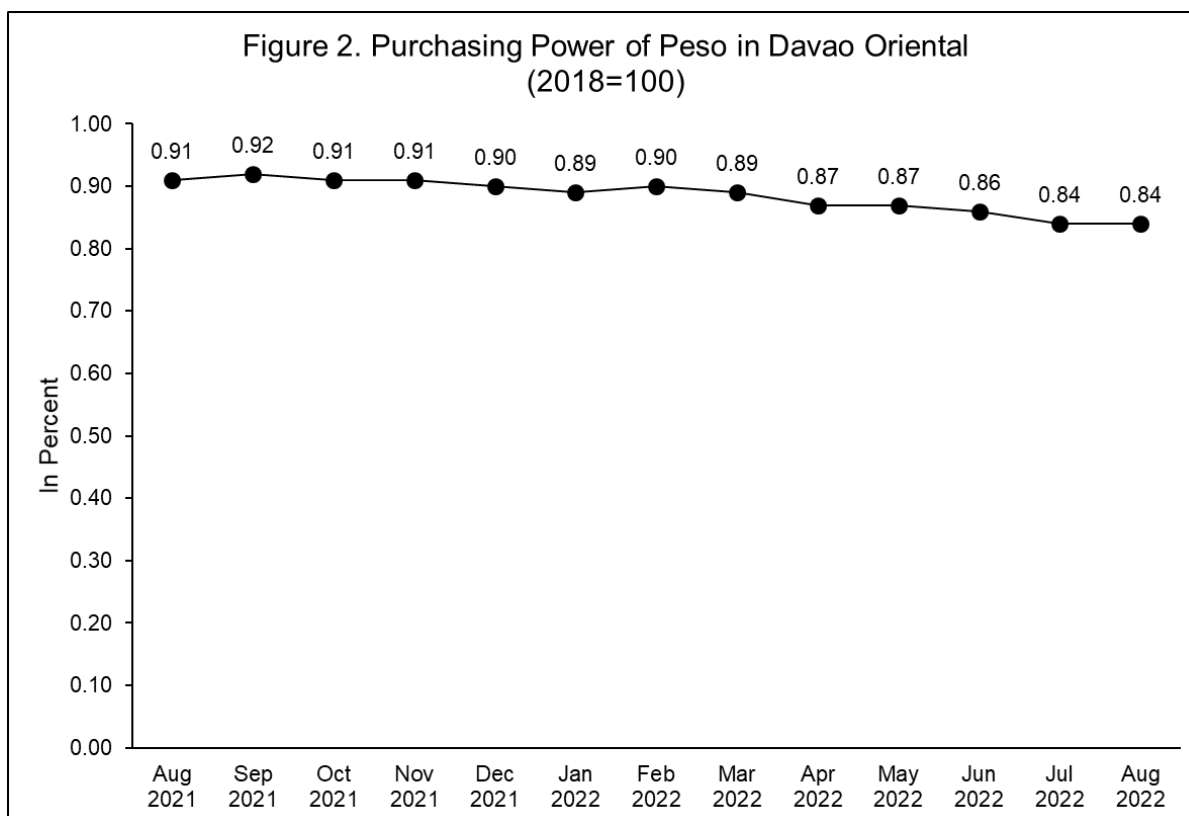
Areas	Inflation Rates		
	Aug 2021	Jul 2022	Aug 2022
Davao Region	4.7	8.6	8.9
Davao Del Norte	4.7	7.1	6.9
Davao City	4.2	8.4	9.6
Davao Del Sur	6.2	9.6	8.3
Davao Oriental	9.6	8.5	7.7
Davao De Oro	6.3	12.0	10.2
Davao Occidental	1.8	8.1	8.7

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

Purchasing Power of Peso (PPP) remains at 84 centavos

Purchasing Power of Peso (PPP) 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. The PPP is inversely related to inflation rate. Thus, as the inflation rate increases, PPP declines.

The PPP in August 2022 stood at 84 centavos. This means that the amount of PhP100.00 in 2018 is equivalent to PhP84.32 in August 2022. Similarly, you will need PhP118.60 to purchase the same set of goods and services worth Php100.00 in 2018. In August 2021, the PPP was at 91 centavos. (Figure 2)



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

**Table B. Year-on-Year Inflation Rates in Davao Oriental
All Items (In Percent)
January 2019 – July 2022
(2018=100)**

Month	Year			
	2019	2020	2021	2022
January	2.2	2.2	1.9	8.3
February	2.1	0.8	5.2	4.2
March	1.4	0.5	7.2	4.1
April	1.0	1.1	7.0	6.2
May	0.6	0.9	7.4	5.9
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	
October	-2.3	0.7	9.5	
November	-1.0	1.8	7.7	
December	1.2	0.6	9.1	
Average	0.0	1.2	7.3	6.5

**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 Period** - The reference date or base period is the benchmark or reference date or period at which the index is taken as equal to 100.
- 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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EPT/JBPS