



REPUBLIC OF THE PHILIPPINES

NATIONAL ECONOMIC AND DEVELOPMENT
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Inflation Continues to Drop, Hits Average of 2.13 Percent in Q3 2015

Davao City- Davao Region's average inflation rate for the 3rd quarter of 2015 hit 2.13 percent, which was 1.90 percentage points lower than the level recorded in the same quarter in 2014. Quarter-to-quarter analysis also shows that inflation had steadily been easing by an average of 0.3 percentage point between Q1 and Q2 2015; and 0.97 percentage point between Q2 and Q3 2015.

The deceleration of inflation could be attributed to downward adjustments in petroleum products and price decreases in food items.

For petroleum products, the declining prices were attributed to cheaper oil products in the world market that resulted to numerous oil price rollbacks in the country. In the Region, oil companies reduced prices nine times on gasoline and eight times on diesel and kerosene. The prices of gasoline, diesel, and kerosene were decreased by totals of P2.75 per liter, P3.15 per liter, and P3.40 per liter, respectively, relative to their end-Q2 2015 levels.

For food items, prices of rice, corn, meat, fish and vegetables had considerably stabilized due to sufficient supply of these basic commodities in the market. In addition, the higher supply of meat and fish in the market was due to higher production of livestock, poultry and fisheries in the Region during the quarter. For rice and corn, prices remained subdued due to imports that supplemented the regional production.

Aside from food and petroleum products, the costs of health services and medical products, as well as clothing and footwear had also slightly decreased, compared to the level recorded in same quarter in 2014. On the other hand, costs of education and communication were relatively unchanged compared to their year-ago rates.

On account of this performance, the all-item regional inflation rate for the quarter fell within the range of the 3 percent, plus or minus 1 percentage point, set for CY 2015 by the Development Budget Coordinating Committee (DBCC) of the NEDA Board. (John Saligan, PFPD, NEDA XI)