



PRESS RELEASE

SINGAPORE CONSUMER PRICE INDEX FOR HOUSEHOLDS IN DIFFERENT INCOME GROUPS

Consumer Price Index, July – December 2013

During the second half of 2013, the consumer price index (CPI) for general households rose by 1.9 per cent over the same period in 2012. This increase was lower than the 2.8 per cent recorded in the first half of 2013. A similar trend was observed for CPI excluding imputed rentals on owner-occupied accommodation (OOA), which rose by 1.5 per cent, down from the 2.2 per cent in the first half of 2013.^[1]

In terms of the different income groups, the CPI excluding imputed rentals on OOA for the lowest 20% income group rose by 1.1 per cent. This was lower than the increases of 1.4 per cent and 1.8 per cent experienced by the middle 60% and highest 20% income groups respectively.

For the CPI-All Items index, the increase for the lowest 20% income group was 2.3 per cent, higher than the 1.9 per cent for both the middle 60% and highest 20% income groups. This was due to a larger increase in imputed rentals on OOA – which do not involve actual cash expenditures for households who own their homes – for the lowest 20% income group.^[2]

^[1] The OOA cost in CPI comprises rentals that are imputed for owner-occupied homes. Given that imputed rentals on OOA have no impact on the cash expenditure of such households, an additional indicator of inflation, “CPI All Items less imputed rentals on owner-occupied accommodation” is compiled.

^[2] As accommodation costs have a larger weight in the CPI basket for the lowest 20% income group, any general increase in imputed rental costs on owner-occupied homes will also have a greater impact on the inflation rate for this income group compared with other income groups. Also, note that actual rentals paid on rented homes are included separately in the CPI.

Besides imputed rentals on OOA, higher food prices also contributed to the rise in CPI for all income groups. These price increases were moderated by lower electricity tariffs, service & conservancy charges (S&CC) ^[3] and a lower government concessionary levy for foreign domestic helpers ^[4] during the second half of 2013.

Consumer Price Index, 2013

For the full year of 2013, the CPI-All Items for general households rose by 2.4 per cent, lower than the 4.6 per cent registered in 2012. The CPI excluding imputed rentals on OOA also increased by a smaller 1.9 per cent in 2013 compared to the 3.6 per cent in 2012.

The CPI-All Items for the lowest 20%, middle 60% and highest 20% income groups increased by 2.7 per cent, 2.4 per cent and 2.3 per cent respectively in 2013. The larger increases experienced by the lowest 20% and middle 60% income groups compared to the highest 20% income group was due to higher increases in imputed rentals on OOA. Excluding imputed rentals on OOA, the CPI for the lowest 20% experienced the lowest increase of 1.2 per cent, when compared to the middle 60% and highest 20% income groups, which registered increases of 1.7 per cent and 2.2 per cent respectively.

Other than imputed rentals on OOA, the increases in the CPI for all income groups were also due to more expensive food. For the middle 60% and highest 20% income groups, higher car prices also contributed to the rise in their CPIs. These price increases were partially offset by lower electricity tariffs, a larger quantum of government rebates on S&CC for HDB households, and a lower government concessionary levy for foreign domestic helpers.

^[3] S&CC rebates were given in the second half of 2013 but not in second half of 2012. In July and October 2013, 1- and 2-room HDB households received a 1-month S&CC rebate, while 3-, 4- and 5-room HDB households received a 0.5-month rebate.

^[4] From 1 March 2013, families with Singaporean dependants such as children, elderly parents and family members with disabilities pay a lower concessionary levy of \$120 a month for their foreign domestic helpers, down from \$170 previously.

CONSUMER PRICE INDEX FOR HOUSEHOLDS IN DIFFERENT INCOME GROUPS
(2009 = 100)

Income Group	All Items	Food	Clothing & Footwear	Housing	Transport	Communi- cation	Education & Stationery	Health Care	Recreation & Others	All Items Less Imputed Rentals on Owner- Occupied Accommodation
Weight Per 10,000										
General Households	10,000	2,205	341	2,548	1,553	475	735	586	1,557	8,441
Lowest 20%	10,000	2,689	225	3,605	719	518	439	739	1,066	7,576
Middle 60%	10,000	2,381	352	2,477	1,492	552	686	585	1,475	8,504
Highest 20%	10,000	1,843	348	2,428	1,823	354	865	559	1,780	8,531
Percent Change Over Corresponding Period Of Previous Year										
<u>2013 Jul – Dec</u>										
General Households	1.9	2.4	-0.1	1.9	0.5	-1.5	3.3	3.8	2.9	1.5
Lowest 20%	2.3	2.3	0.3	2.6	0.6	-1.2	3.5	3.9	2.6	1.1
Middle 60%	1.9	2.4	-0.2	2.4	0.4	-1.5	3.0	3.8	2.7	1.4
Highest 20%	1.9	2.4	-0.1	1.1	0.7	-1.6	3.7	4.0	3.2	1.8
<u>2013 Jan - Jun</u>										
General Households	2.8	1.8	0.8	3.3	4.1	-1.3	3.2	3.8	2.6	2.2
Lowest 20%	3.1	1.6	0.3	4.7	3.7	-0.9	3.4	3.9	2.3	1.3
Middle 60%	2.9	1.8	0.7	3.9	4.3	-1.3	3.0	3.8	2.4	2.1
Highest 20%	2.7	1.9	0.9	2.0	4.1	-1.3	3.5	4.0	2.9	2.5
<u>2013</u>										
General Households	2.4	2.1	0.3	2.6	2.3	-1.4	3.3	3.8	2.7	1.9
Lowest 20%	2.7	2.0	0.3	3.6	2.1	-1.0	3.5	3.9	2.4	1.2
Middle 60%	2.4	2.1	0.3	3.1	2.3	-1.4	3.0	3.8	2.5	1.7
Highest 20%	2.3	2.2	0.4	1.5	2.4	-1.4	3.6	4.0	3.0	2.2
<u>2012</u>										
General Households	4.6	2.3	1.4	7.8	7.1	-0.1	3.4	4.5	1.8	3.6
Lowest 20%	5.6	2.2	1.0	10.4	5.3	-	2.3	4.9	1.3	3.5
Middle 60%	4.7	2.3	1.4	8.6	7.0	-0.1	3.3	4.5	1.7	3.6
Highest 20%	4.2	2.5	1.6	5.5	7.3	-0.1	3.5	4.5	2.0	3.8