



## PRESS RELEASE

SINGAPORE CONSUMER PRICE INDEX  
(2009 = 100)  
MARCH 2011

### Highlights

- The consumer price index in March 2011 rose marginally by 0.1 per cent over February 2011. The higher costs of housing, clothing & footwear, and “recreation & others” were partly offset by the lower cost of transport. Excluding accommodation costs, the consumer price index remained unchanged in March 2011.
- Compared to a year ago, the consumer price index went up by 5.0 per cent in March 2011, resulting mainly from higher costs of transport, housing and food. Excluding accommodation costs, the consumer price index was 4.2 per cent higher.
- The core inflation measure tracked by the Monetary Authority of Singapore (MAS) was 0.1 per cent on a month-on-month basis. The MAS core inflation measure was 1.8 per cent in March 2011 compared to March 2010.

### Month-on-Month Changes

The consumer price index in March 2011 increased by 0.1 per cent compared with February 2011. The higher costs of housing, clothing & footwear, and “recreation & others” were partly offset by the lower cost of transport. Housing cost rose by 0.6 per cent due largely to higher accommodation costs. Prices of clothing & footwear were 2.5 per cent higher as a result of more expensive ready-made garments and footwear. On account of dearer holiday travel and cigarettes, the index for “recreation & others” moved up by 0.3 per cent. In contrast, the cost of transport fell by 0.6 per cent owing to lower car prices. Excluding accommodation costs, the consumer price index remained unchanged in March 2011.

## Seasonally-Adjusted CPI

On a seasonally adjusted basis, the consumer price index increased by 0.3 per cent in March 2011 compared with February 2011. Excluding accommodation costs, the consumer price index increased by 0.2 per cent in March 2011.

### Year-on-Year Changes

Compared with March 2010, the consumer price index rose by 5.0 per cent in March 2011, due mainly to higher costs of transport, housing and food. With higher prices of cars and petrol, the cost of transport rose by 13.4 per cent. Higher accommodation costs and electricity tariffs raised housing cost by 7.1 per cent. Food prices increased by 2.6 per cent due to dearer prepared meals, vegetables, seafood, meat & poultry, milk products & eggs, rice & other cereals as well as fruits. Excluding accommodation costs, the consumer price index was 4.2 per cent higher in March 2011 compared with the same period a year ago.

In the first quarter of 2011, the consumer price index increased by 5.2 per cent compared with the same period of the previous year. Excluding accommodation costs, the consumer price index went up by 4.7 per cent during the same period.

### CONSUMER PRICE INDEX (2009 = 100)

Group	Weights (%)	Index			% Change	
		Mar 2010	Feb 2011	Mar 2011	Mar 2011/ Feb 2011	Mar 2011/ Mar 2010
<b>ALL ITEMS</b>	<b>100</b>	<b>101.3</b>	<b>106.2</b>	<b>106.4</b>	<b>0.1</b>	<b>5.0</b>
Food	22	100.8	103.6	103.5	-0.1	2.6
Clothing & Footwear	3	101.0	99.5	102.0	2.5	0.9
Housing	25	100.1	106.6	107.3	0.6	7.1
Transport	16	105.5	120.3	119.6	-0.6	13.4
Communication	5	98.6	96.6	96.2	-0.4	-2.4
Education & Stationery	7	101.9	105.2	105.2	-	3.3
Health Care	6	100.8	103.8	103.7	-0.1	2.9
Recreation & Others	16	100.4	101.2	101.5	0.3	1.1
<b>All Items less Accommodation</b>	<b>80</b>	<b>101.9</b>	<b>106.2</b>	<b>106.2</b>	<b>-</b>	<b>4.2</b>

Note: A technical note on the consumer price index is given in Annex 1.

## **MAS Core Inflation Measure**

In March 2011, the MAS core inflation measure (which excludes the costs of accommodation and private road transport) was 0.1 per cent compared to February 2011. The MAS core inflation measure was 1.8 per cent in March 2011 compared to March 2010.

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## TECHNICAL NOTE

### Concept and Definition

The consumer price index (CPI) is commonly used as a measure of consumer price inflation. It measures price changes in a fixed basket of consumption goods and services commonly purchased by the households over time. The selection of goods and services in the CPI basket as well as their weights are kept constant at the base period to ensure that any changes in the CPI reflect only price changes.

The weighting pattern for the 2009-based CPI was derived from the expenditure values collected from the Household Expenditure Survey (HES) conducted from October 2007 to September 2008. These expenditure values were updated to 2009, taking into account price changes between 2007/08 and 2009.

The CPI is compiled on a monthly basis. For longer periods, the CPI is derived by averaging the monthly indices. For example, the yearly CPI is derived by taking a simple average of the 12 months' indices for the year.

### Scope and Coverage

The CPI covers only consumption expenditure incurred by resident households. It excludes non-consumption expenditures such as loan repayments, income and property taxes, purchase of houses, shares and other financial assets etc. Resident households are defined as households headed by a Singapore citizen or permanent resident.

The 2009-based CPI basket covered a total of 6,500 brands.

### Measurement of Changes in the Consumer Price Index

To calculate month-on-month change, the difference between the CPI for the specific month and that for the preceding month expressed in percentage term is used. This measures the change in average prices between the two months and serves as a useful short-term indicator of price movement.

To measure the year-on-year change, the CPI for the specific month is compared with that for the same month of preceding year. Likewise, the annual inflation rate for a specific year is computed by comparing the average for the 12 monthly indices with that for the preceding year.

## **Consumer Price Index for “All Items Less Accommodation”**

Accommodation comprises “rental and owner-occupied accommodation”, as well as “minor repairs & maintenance”. Within accommodation, a significant share was attributed to “owner-occupied accommodation” cost which was computed based on the imputed rental concept and hence, has no impact on the cash expenditure of households. In addition, under minor repairs & maintenance, the rebates for service & conservancy charges (S&CC) which are given to households living in HDB flats in different periods of the year also result in some volatility in the monthly CPI. Hence, the series on 'All Items less accommodation' is compiled as an additional indicator for interested users.

## **Monetary Authority of Singapore’s Core Inflation Measure**

The Monetary Authority of Singapore (MAS) monitors a core inflation measure that excludes the components of “Accommodation” and “Private Road Transport”.

## **Seasonally adjusted Consumer Price Index**

The data series on CPI and its major components are seasonally adjusted using the X-12 procedure. Seasonal adjustment is the process of estimating and removing seasonal effects from a time series. Users interested in the underlying price trends could refer to the seasonally adjusted data series.