



# PRESS RELEASE

## SINGAPORE CONSUMER PRICE INDEX BY HOUSEHOLD INCOME GROUPS

### Consumer Price Index, January – June 2019

The Consumer Price Index (CPI)-All Items for general households rose by 0.6 per cent on a year-on-year basis in the first half of 2019, the same pace of increase as that recorded in the second half of 2018. Excluding imputed rentals on owner-occupied accommodation (OOA)<sup>[1]</sup>, the CPI rose by 1.1 per cent in the first half of 2019, slower than the 1.3 per cent increase posted in the second half of 2018.

By household income groups, the CPI-All Items for both the lowest 20% and middle 60% income groups rose by 0.5 per cent in the first half of 2019, while that for the highest 20% income group increased by 0.8 per cent during the same period. The CPI-All Items for the highest 20% income group increased at a faster pace compared to the other income groups because of two main factors. First, households in the highest 20% income group experienced a smaller decline in their imputed rentals on OOA, while the expenditure share of imputed rentals in their CPI basket was also lower. Second, private road transport costs for the highest 20% income group rose, even as that for the other income groups fell.

Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups rose by 1.4 per cent, 1.0 per cent and 1.1 per cent respectively in the first half of 2019. For all three income groups, the increase in their respective CPI excluding OOA was due to a rise in the prices of food and water, as well as higher tuition & other fees, medical & dental treatment<sup>[2]</sup> costs, holiday expenses, bus & train fares and housing maintenance & repair costs, which collectively outweighed the lower costs of rented accommodation and telecommunication services. However, the price increases for these expenditure items had a smaller impact on the CPIs excluding OOA of the middle 60% and highest 20% income groups as they accounted for a lower share of their total expenditure.

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<sup>[1]</sup> 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 households who own their homes, an additional indicator of inflation, “CPI All Items less imputed rentals on OOA”, is compiled.

<sup>[2]</sup> This takes into account Government subsidies and support for MediShield Life premiums, including the progressive phasing down of the transitional subsidies provided over the first four years of MediShield Life.

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(2014 = 100)

Income Group	All Items	Food	Clothing & Footwear	Housing & Utilities^	Household Durables & Services	Health* Care	Transport	Communication	Recreation & Culture	Education	Miscellaneous Goods & Services	All Items Less Imputed Rentals on Owner-Occupied Accommodation
Weight Per 10,000												
General Households	<b>10,000</b>	2,167	273	2,625	475	615	1,579	385	788	615	478	8,101
Lowest 20%	<b>10,000</b>	2,435	157	4,002	359	812	732	397	466	261	379	7,076
Middle 60%	<b>10,000</b>	2,360	283	2,615	432	623	1,404	453	737	602	491	8,104
Highest 20%	<b>10,000</b>	1,835	280	2,396	555	562	1,984	288	920	700	480	8,263
Percent Change Over Corresponding Period Of Previous Year												
<u>2019 Jan – Jun</u>												
General Households	0.6	1.4	0.2	-0.6	0.9	1.4	0.1	-1.6	1.5	2.7	0.5	1.1
Lowest 20%	0.5	1.4	0.1	-0.6	0.6	2.0	-0.2	-0.9	1.2	2.4	1.1	1.4
Middle 60%	0.5	1.4	0.2	-0.7	0.8	1.4	-0.4	-1.6	1.4	2.6	0.7	1.0
Highest 20%	0.8	1.4	0.1	-0.5	1.1	1.4	0.6	-1.8	1.6	2.7	0.2	1.1
<u>2018 Jul – Dec</u>												
General Households	0.6	1.5	1.9	-0.3	0.7	1.8	-1.1	-1.6	1.3	2.9	1.2	1.3
Lowest 20%	0.6	1.6	1.7	-0.5	0.6	2.2	-0.9	-1.4	1.3	3.0	3.2	2.1
Middle 60%	0.6	1.5	1.9	-0.4	0.7	1.9	-1.2	-1.7	1.3	2.8	1.7	1.4
Highest 20%	0.5	1.5	1.8	-0.2	0.8	1.6	-1.1	-1.7	1.4	2.8	0.1	1.1
<u>2018</u>												
General Households	0.4	1.4	1.4	-1.3	0.8	2.0	-0.5	-1.0	1.2	2.9	1.0	1.3
Lowest 20%	0.2	1.5	1.3	-1.6	0.6	2.4	-0.5	-0.9	1.2	3.1	2.6	1.8
Middle 60%	0.4	1.4	1.4	-1.5	0.7	2.1	-0.7	-1.0	1.1	2.9	1.4	1.3
Highest 20%	0.5	1.5	1.3	-1.1	0.9	1.8	-0.3	-1.0	1.3	2.8	0.1	1.1
<u>2017</u>												
General Households	0.6	1.4	0.6	-2.5	1.1	2.5	2.6	0.6	0.3	3.0	0.1	1.7
Lowest 20%	-0.1	1.5	0.8	-2.6	0.8	3.2	1.0	0.5	0.0	3.1	-0.1	1.8
Middle 60%	0.5	1.4	0.5	-2.6	0.8	2.6	2.3	0.6	0.2	3.0	-0.1	1.7
Highest 20%	0.8	1.3	0.7	-2.4	1.3	2.1	3.0	0.5	0.4	3.1	0.5	1.8

\* This takes into account Government subsidies and support for MediShield Life premiums, including the progressive phasing down of Transitional Subsidies over the first four years of MediShield Life.

^ The nationwide launch of the Open Electricity Market (OEM) was implemented in phases. Since 1<sup>st</sup> May 2019, consumers from all geographical zones have been able to switch to an OEM retailer.