



# SINGAPORE CONSUMER PRICE INDEX<sup>1</sup> BY HOUSEHOLD INCOME GROUP

January – June 2021

## Overview

- In the first half of 2021 (1H 2021), the Consumer Price Index (CPI)-All Items for general households increased by 1.5 per cent on a year-on-year (y-o-y) basis. This was partly due to low base effects as CPI-All Items had fallen by 0.2 per cent y-o-y in the same period last year.
- By household income groups, the CPI-All Items rose by 0.9 per cent, 1.4 per cent and 1.9 per cent y-o-y for the lowest 20%, middle 60% and highest 20% income groups respectively.
- Excluding imputed rentals on owner-occupied accommodation (OOA), the CPI for the lowest 20%, middle 60% and highest 20% income groups increased by 0.8 per cent, 1.4 per cent and 2.2 per cent y-o-y respectively.

## Main Contributors to the Change in CPI-All Items for All Household Income Groups, 1H 2021 over 1H 2020

- In 1H 2021, the main positive contributors to the CPI-All Items inflation rates of the three income groups were cars, food, petrol, accommodation and tuition & other fees. The price increases for these items were partially offset by the lower costs of electricity and clothing & footwear.

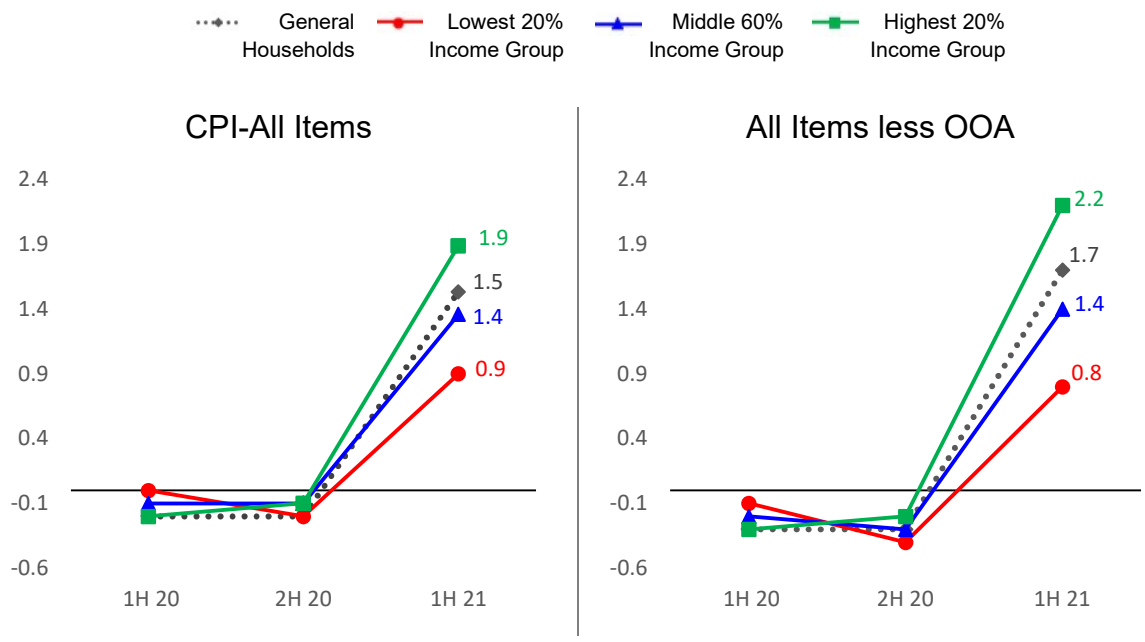
## Comparison of CPI (Excluding OOA) Across Household Income Groups

- The lowest 20% income group saw the smallest increase in its CPI excluding OOA as compared to the middle 60% and highest 20% income groups mainly because:
  - Lower costs of electricity had a larger dampening impact on its CPI as electricity constituted a higher share of its expenditure basket.
  - Higher car and petrol prices had a smaller impact on its CPI given that these items accounted for a smaller share of its expenditure basket.

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<sup>1</sup> The COVID-19 situation has disrupted the collection of price data for some goods and services. More prices have thus been imputed, based on recommendations from the International Labour Organisation, International Monetary Fund and Eurostat, as well as the best practices of other National Statistical Offices. For more information, please refer to the Technical Note.

## Change in Key Indicators<sup>2</sup> (Year-on-Year)



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<sup>2</sup> For more information on the coverage of these indicators, please refer to the Technical Note.

CONSUMER PRICE INDEX BY HOUSEHOLD INCOME GROUP (2019 as base year)												
Household Income Group	All Item	Expenditure Division										All Items less Imputed Rentals on Owner-Occupied Accommodation
		Food	Clothing & Footwear	Housing & Utilities	Household Durables & Services	Health Care	Transport	Communication	Recreation & Culture	Education	Miscellaneous Goods & Services	
Weight Per 10,000												
General Households	10,000	2,110	212	2,484	493	655	1,707	411	789	663	476	8,250
Lowest 20%	10,000	2,325	138	3,424	452	939	933	472	525	406	386	7,529
Middle 60%	10,000	2,324	224	2,466	452	687	1,520	487	749	598	493	8,274
Highest 20%	10,000	1,770	210	2,299	560	544	2,141	292	903	807	474	8,380
Percent Change Over Corresponding Period of Previous Year												
<u>2021 Jan – Jun</u>												
General Households	1.5	1.2	-5.6	0.2	1.3	0.6	6.8	0.5	0.4	1.0	-0.8	1.7
Lowest 20%	0.9	1.3	-5.1	0.4	1.1	0.4	4.9	0.7	-0.1	0.7	-0.8	0.8
Middle 60%	1.4	1.2	-5.8	0.3	1.2	0.5	6.4	0.5	0.3	0.9	-0.7	1.4
Highest 20%	1.9	1.2	-5.5	-0.1	1.3	0.8	7.5	0.4	0.5	1.1	-0.9	2.2
<u>2020 Jul – Dec</u>												
General Households	-0.2	1.8	-4.4	-0.5	0.5	-1.4	-0.4	1.3	-1.8	-0.7	-1.6	-0.3
Lowest 20%	-0.2	1.9	-4.0	-1.0	0.5	-2.0	0.2	1.2	-1.4	-1.2	-0.7	-0.4
Middle 60%	-0.1	1.8	-4.6	-0.5	0.5	-1.8	-0.2	1.3	-1.6	-1.2	-1.5	-0.3
Highest 20%	-0.1	1.8	-4.2	-0.4	0.3	-0.5	-0.7	1.2	-2.2	1.6	-1.7	-0.2
<u>2020</u>												
General Households	-0.2	1.9	-3.8	-0.3	0.3	-1.5	-0.7	0.7	-1.8	-0.6	-1.2	-0.3
Lowest 20%	-0.1	2.0	-3.5	-0.6	0.3	-2.2	0.0	0.9	-1.3	-1.0	-0.4	-0.3
Middle 60%	-0.1	1.8	-4.0	-0.3	0.3	-2.0	-0.4	0.7	-1.6	-1.1	-1.1	-0.3
Highest 20%	-0.2	1.8	-3.7	-0.1	0.2	-0.6	-1.2	0.6	-2.2	1.6	-1.2	-0.3
<u>2019</u>												
General Households	0.6	1.5	-0.8	-1.0	0.8	1.1	0.8	-0.9	1.1	2.4	0.4	0.9
Lowest 20%	0.3	1.5	-0.4	-1.0	0.4	1.3	0.7	-0.1	0.8	2.0	0.6	0.9
Middle 60%	0.5	1.5	-0.7	-1.2	0.6	1.0	0.4	-0.9	1.0	2.4	0.4	0.8
Highest 20%	0.8	1.6	-0.9	-0.7	1.0	1.3	1.1	-1.1	1.1	2.4	0.2	1.0

Please refer to the SingStat Table Builder at [www.singstat.gov.sg/tablebuilder](http://www.singstat.gov.sg/tablebuilder) for longer time series and further breakdown of the CPI data by household income group at expenditure group and class level

## TECHNICAL NOTE

### **Consumer Price Index for All Items**

This is the highest level of the CPI, containing all the expenditure divisions, groups and classes.

### **Consumer Price Index for “All Items Less Imputed Rentals on Owner-Occupied Accommodation” (All Items less OOA)**

The Owner-Occupied Accommodation (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 owner-occupier households, an additional indicator of inflation, “CPI All Items less imputed rentals on owner-occupied accommodation”, is compiled.

### **Household Income Group**

Household income group is based on ranking of resident households by their monthly household income from all sources (including imputed rental on owner-occupied accommodation).

### **Compilation of the Consumer Price Index in the Context of the COVID-19 Pandemic**

The COVID-19 pandemic and the slew of measures implemented have led to the reduction and suspension of selected goods and services, and disrupted the collection of prices and the compilation of the CPI. DOS has engaged several National Statistical Offices (NSOs) as well as international organisations such as International Labour Organisation (ILO), International Monetary Fund (IMF) and Eurostat to understand how best to respond to the current situation, including conceptual treatments for selected suspended services. Based on international recommendations and NSOs’ best practices, we have adopted those suitable to our local context, broadly as shown below:

- a) For those services that remain open, missing price observations will be replaced by price quotations obtained from other similar sources (e.g. online).
- b) Where prices are not available and/or if services are suspended, price imputation will be done by following the price direction of similar goods and services or higher level index, where appropriate; or carrying forward of last observable prices (i.e. imputing no price change). For example, prices of items with little or no expenditure will be imputed by following the price direction of other sub-indices in the All Items CPI, i.e. they will not contribute towards the monthly movement of the All Items CPI.