

PRESS RELEASE

SINGAPORE CONSUMER PRICE INDEX BY HOUSEHOLD INCOME GROUP

January – June 2024

Overview

- In the first half of 2024 (1H 2024), the Consumer Price Index (CPI)-All Items for general households rose by 2.9% on a year-on-year (y-o-y) basis, slower than the 4.1% increase in 2H 2023.
- By household income groups, CPI-All Items inflation for the lowest 20%, middle 60% and highest 20% income groups came in at 3.1%, 2.9% and 2.7% y-o-y respectively in 1H 2024, lower than the corresponding CPI-All Items inflation for the three groups in 2H 2023.
- Excluding imputed rentals on owner-occupied accommodation (OOA), the CPI for the lowest 20%, middle 60% and highest 20% income groups rose by 2.9%, 2.8% and 2.6% y-o-y respectively in 1H 2024, lower than their respective increases in 2H 2023.

Main Contributors to CPI-All Items Inflation for All Household Income Groups, 1H 2024 over 1H 2023

- In 1H 2024, the main expenditure items that contributed to the increase in CPI-All Items for all three household income groups were accommodation, food, holiday expenses, hospital & outpatient services and tuition & other fees. The higher prices for these items were partially offset by the lower cost of other transport services¹.

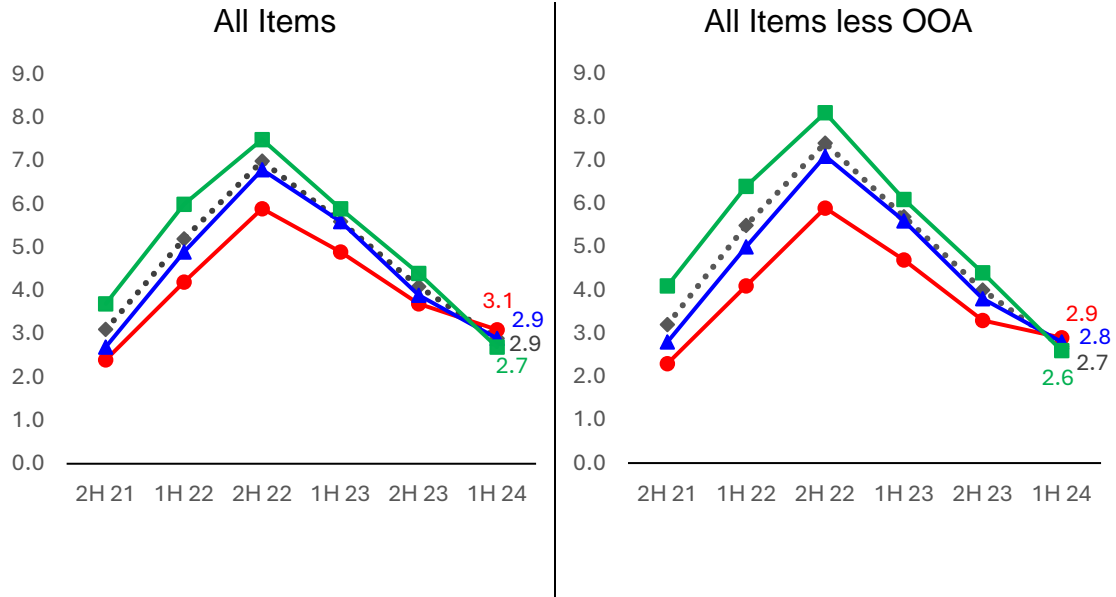
Comparison of Increases in CPI-All Items less OOA Across Household Income Groups

- Among the three household income groups, the highest 20% income group saw the smallest increase in CPI excluding OOA in 1H 2024, mainly because:
 - The higher prices of food and hospital & outpatient services had a smaller impact on the group's CPI, given that these items accounted for a smaller share of its expenditure basket as compared to that of the lowest 20% and middle 60% income groups.

¹ Other transport services include airfares, sea fares, and moving services etc.

Change in Key Indicators² (Year-on-Year)

...◆... General Households
 —●— Lowest 20% Income Group
 —▲— Middle 60% Income Group
 —■— Highest 20% Income Group



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² A longer time series can be found on the SingStat Table Builder (<https://tablebuilder.singstat.gov.sg>). For more information on the coverage of these indicators, please refer to the Technical Note.

Annex 1

| CONSUMER PRICE INDEX BY HOUSEHOLD INCOME GROUP (2019 as base year) | | | | | | | | | | | | |
|---|----------------------|-------|---------------------|---------------------|-------------------------------|-------------|-----------|---------------|----------------------|-----------|--------------------------------|--|
| Household Income Group | Expenditure Division | | | | | | | | | | | All Items less Imputed Rentals on Owner-Occupied Accommodation |
| | All Items | 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>2024 Jan – Jun</u> | | | | | | | | | | | | |
| General Households | 2.9 | 3.1 | -0.6 | 3.6 | 1.1 | 4.6 | 1.6 | 1.5 | 4.8 | 3.3 | 1.9 | 2.7 |
| Lowest 20% | 3.1 | 3.0 | -0.4 | 3.5 | 0.9 | 5.1 | 3.6 | 1.4 | 4.3 | 0.1 | 2.5 | 2.9 |
| Middle 60% | 2.9 | 3.1 | -0.9 | 3.5 | 1.0 | 4.6 | 2.1 | 1.5 | 4.2 | 3.2 | 1.9 | 2.8 |
| Highest 20% | 2.7 | 3.1 | -0.5 | 3.6 | 1.3 | 4.4 | 0.9 | 1.4 | 5.4 | 3.5 | 1.6 | 2.6 |
| <u>2023 Jul – Dec</u> | | | | | | | | | | | | |
| General Households | 4.1 | 4.4 | -0.5 | 3.8 | 1.5 | 4.7 | 5.0 | 3.4 | 5.6 | 2.6 | 3.2 | 4.0 |
| Lowest 20% | 3.7 | 4.4 | 0.1 | 4.0 | 1.5 | 1.3 | 4.0 | 3.4 | 4.6 | 1.7 | 5.7 | 3.3 |
| Middle 60% | 3.9 | 4.4 | -0.9 | 3.9 | 1.5 | 4.7 | 4.2 | 3.5 | 5.2 | 2.6 | 3.4 | 3.8 |
| Highest 20% | 4.4 | 4.3 | -0.3 | 3.7 | 1.6 | 5.7 | 5.8 | 3.3 | 6.3 | 2.9 | 2.5 | 4.4 |
| <u>2023</u> | | | | | | | | | | | | |
| General Households | 4.8 | 5.8 | 2.5 | 4.3 | 1.9 | 4.5 | 6.3 | 2.9 | 6.1 | 2.7 | 3.1 | 4.8 |
| Lowest 20% | 4.3 | 5.8 | 3.0 | 4.5 | 1.8 | -0.1 | 5.2 | 2.9 | 5.9 | 1.9 | 5.5 | 4.0 |
| Middle 60% | 4.7 | 5.8 | 2.5 | 4.4 | 1.8 | 4.6 | 5.6 | 3.0 | 6.1 | 2.7 | 3.3 | 4.7 |
| Highest 20% | 5.1 | 5.7 | 2.5 | 4.2 | 1.9 | 5.8 | 7.2 | 2.8 | 6.3 | 3.0 | 2.3 | 5.2 |
| <u>2022</u> | | | | | | | | | | | | |
| General Households | 6.1 | 5.3 | 2.8 | 5.2 | 2.0 | 2.2 | 16.4 | -1.2 | 4.3 | 2.1 | 0.5 | 6.4 |
| Lowest 20% | 5.0 | 5.6 | 2.3 | 5.5 | 2.1 | 1.0 | 13.7 | -1.2 | 4.5 | 2.6 | 0.7 | 5.0 |
| Middle 60% | 5.8 | 5.3 | 2.8 | 5.5 | 2.1 | 2.2 | 15.8 | -1.3 | 4.4 | 2.0 | 0.6 | 6.1 |
| Highest 20% | 6.8 | 5.2 | 2.9 | 4.8 | 1.9 | 2.5 | 17.3 | -1.1 | 4.4 | 2.0 | 0.3 | 7.3 |

Please refer to the SingStat Table Builder at <https://tablebuilder.singstat.gov.sg> 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 contains all the expenditure divisions, groups and classes.

Consumer Price Index for “All Items Less Accommodation” and “All Items Less Imputed Rentals on Owner-Occupied Accommodation”

Accommodation, one of the groups in the Housing & Utilities expenditure division, comprises “rented and owner-occupied accommodation”, as well as ‘housing maintenance & repairs’.

A significant share of the Accommodation group is “owner-occupied accommodation” cost, which reflects the costs to homeowners of utilising the flow of services provided by their homes over an extended period of time. Given that the cost of using housing services is not directly observed for homeowners, it is computed based on the imputed rental concept under the rental equivalence method, i.e., proxied by market rentals. Housing price is not considered in the CPI as it has a high investment component and is treated as a capital good. As for the CPI for ‘housing maintenance & repairs’, it takes into account the rebates for service & conservancy charges (S&CC) disbursed to households living in HDB flats in the applicable months.

Imputed rentals have no impact on the cash expenditures of most households in Singapore as they already own their homes, while the inclusion of S&CC rebates results in some volatility in the monthly CPI. As such, the CPI for “All Items less accommodation” and “All Items less imputed rentals on owner-occupied accommodation” are compiled and published as additional indicators. For “All Items less imputed rentals on owner-occupied accommodation”, actual rentals paid on rented units are still included in the measure.

Household Income Group

Household income group categorises resident households by their monthly household income from all sources (including imputed rentals on owner-occupied accommodation).