



PRESS RELEASE

SINGAPORE CONSUMER PRICE INDEX FOR HOUSEHOLDS IN DIFFERENT INCOME GROUPS

Consumer Price Index, July – December 2016

In the second half of 2016, the Consumer Price Index (CPI)-All Items for general households fell by 0.2 per cent as compared to the same period in 2015, smaller than the decline of 0.9 per cent in the first half of 2016. Excluding imputed rentals on owner-occupied accommodation (OOA)^[1], the CPI increased by 0.7 per cent, after edging down by 0.2 per cent in the first half of 2016.

During the second half of 2016, the CPI-All Items for the lowest 20% and middle 60% income groups fell by 0.8 per cent and 0.3 per cent respectively, while the CPI-All Items for the highest 20% income group remained unchanged. Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups rose by 0.6 per cent, 0.7 per cent and 0.8 per cent respectively.

Among the different income groups, the lowest 20% income group registered the largest decline in its CPI-All Items in the second half of 2016. This was mainly due to a fall in accommodation costs and electricity tariffs, which had a larger impact on the CPI of the lowest 20% income group given that these items accounted for a higher share of expenditure for this group as compared to the middle 60% and highest 20% income groups. The lowest 20% income group also experienced a smaller increase in the cost of healthcare services^[2] as compared to the other income groups. For the highest 20% income group, the impact of the declines in accommodation costs and electricity tariffs on its CPI was offset by the impact of the increases in food prices, tuition & other fees and road tax, resulting in its CPI remaining unchanged in the second half of 2016.

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

Consumer Price Index, 2016

For the whole of 2016, the CPI-All Items for general households fell by 0.5 per cent. On the other hand, the CPI excluding imputed rentals on OOA rose by 0.3 per cent, slightly higher than the increase of 0.1 per cent in 2015.

By income groups, the CPI-All Items for the lowest 20% income group fell by 1.1 per cent, while that for the middle 60% and highest 20% income groups each saw a decline of 0.5 per cent. Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups edged up by 0.2 per cent, 0.4 per cent and 0.1 per cent respectively.

For all income groups, the decline in their respective CPI-All Items in 2016 primarily reflected the fall in accommodation costs and electricity tariffs, as well as the prices of cars and petrol, which had more than offset higher food prices. Compared to the middle 60% and highest 20% income groups, the CPI-All Items of the lowest 20% income group declined the most as the fall in accommodation costs and electricity tariffs had a more significant impact on its CPI due to their higher expenditure shares. The lowest 20% income group was also the only income group to experience a decline in the cost of healthcare services^[2] in 2016.

CONSUMER PRICE INDEX FOR HOUSEHOLDS IN DIFFERENT INCOME GROUPS
(2014 = 100)

| Income Group | All Items | Food | Clothing & Footwear | Housing & Utilities | Household Durables & Services | Health* Care | Transport | Communi- cation | Recreation & Culture | Education | Miscellaneous Goods & Services | All Items Less Imputed Rentals on Owner-Occupied Accommodation |
|---|---------------|------|---------------------|---------------------|-------------------------------|--------------|-----------|--------------------|----------------------|-----------|--------------------------------|--|
| Weight Per 10,000 | | | | | | | | | | | | |
| General Households | 10,000 | 2167 | 273 | 2625 | 475 | 615 | 1579 | 385 | 788 | 615 | 478 | 8101 |
| Lowest 20% | 10,000 | 2435 | 157 | 4002 | 359 | 812 | 732 | 397 | 466 | 261 | 379 | 7076 |
| Middle 60% | 10,000 | 2360 | 283 | 2615 | 432 | 623 | 1404 | 453 | 737 | 602 | 491 | 8104 |
| Highest 20% | 10,000 | 1835 | 280 | 2396 | 555 | 562 | 1984 | 288 | 920 | 700 | 480 | 8263 |
| Percent Change Over Corresponding Period Of Previous Year | | | | | | | | | | | | |
| <u>2016 Jul – Dec</u> | | | | | | | | | | | | |
| General Households | -0.2 | 2.0 | -0.9 | -4.0 | 2.9 | 1.3 | -0.7 | 0.1 | 1.0 | 3.3 | 0.1 | 0.7 |
| Lowest 20% | -0.8 | 2.1 | -0.8 | -4.0 | 2.8 | 0.1 | -0.8 | 0.0 | 1.5 | 3.1 | 0.2 | 0.6 |
| Middle 60% | -0.3 | 2.0 | -0.9 | -4.2 | 2.7 | 1.3 | -1.0 | 0.1 | 0.9 | 3.3 | 0.0 | 0.7 |
| Highest 20% | 0.0 | 2.0 | -0.8 | -3.8 | 3.1 | 1.5 | -0.5 | 0.2 | 1.1 | 3.4 | 0.2 | 0.8 |
| <u>2016 Jan - Jun</u> | | | | | | | | | | | | |
| General Households | -0.9 | 2.1 | 1.4 | -4.1 | 0.7 | 0.8 | -4.0 | -0.8 | 0.8 | 2.8 | 0.5 | -0.2 |
| Lowest 20% | -1.3 | 1.8 | 1.5 | -4.1 | 0.6 | -1.5 | -1.8 | -0.9 | 1.5 | 1.7 | 0.3 | -0.2 |
| Middle 60% | -0.7 | 2.0 | 1.3 | -4.3 | 0.7 | 0.8 | -2.9 | -0.9 | 0.8 | 2.8 | 0.4 | 0.1 |
| Highest 20% | -1.1 | 2.3 | 1.4 | -3.9 | 0.7 | 1.4 | -5.3 | -0.7 | 0.7 | 2.8 | 0.6 | -0.6 |
| <u>2016</u> | | | | | | | | | | | | |
| General Households | -0.5 | 2.1 | 0.2 | -4.1 | 1.8 | 1.1 | -2.4 | -0.4 | 0.9 | 3.1 | 0.3 | 0.3 |
| Lowest 20% | -1.1 | 2.0 | 0.3 | -4.1 | 1.7 | -0.7 | -1.3 | -0.5 | 1.5 | 2.4 | 0.2 | 0.2 |
| Middle 60% | -0.5 | 2.0 | 0.2 | -4.2 | 1.7 | 1.0 | -2.0 | -0.4 | 0.9 | 3.0 | 0.2 | 0.4 |
| Highest 20% | -0.5 | 2.1 | 0.3 | -3.8 | 1.9 | 1.5 | -2.9 | -0.3 | 0.9 | 3.1 | 0.4 | 0.1 |
| <u>2015</u> | | | | | | | | | | | | |
| General Households | -0.5 | 1.9 | 0.1 | -3.5 | -0.6 | -0.1 | -1.4 | 0.3 | 0.3 | 3.4 | 0.0 | 0.1 |
| Lowest 20% | -1.1 | 1.6 | 0.3 | -3.3 | -0.7 | -3.1 | 0.7 | 0.1 | 0.5 | 1.6 | 0.2 | -0.4 |
| Middle 60% | -0.3 | 1.9 | 0.2 | -3.5 | -0.6 | -0.3 | -0.3 | 0.3 | 0.4 | 3.2 | 0.1 | 0.3 |
| Highest 20% | -0.7 | 2.1 | -0.1 | -3.6 | -0.6 | 1.5 | -2.6 | 0.5 | 0.2 | 3.7 | -0.4 | -0.1 |

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