



## PRESS RELEASE

### SINGAPORE CONSUMER PRICE INDEX FOR HOUSEHOLDS IN DIFFERENT INCOME GROUPS

#### **Consumer Price Index, July – December 2017**

The Consumer Price Index (CPI)-All Items for general households rose by 0.5 per cent in the second half of 2017 as compared to the same period in 2016. This was lower than the 0.7 per cent increase in the first half of 2017. Excluding imputed rentals on owner-occupied accommodation (OOA)<sup>[1]</sup>, the CPI rose by 1.6 per cent in the second half of 2017, moderating from the 1.9 per cent increase in the first half of 2017.

By household income groups, the CPI-All Items for the lowest 20% income group declined by 0.1 per cent in the second half of 2017, the sixth consecutive half-yearly decline. However, the CPI-All Items for the middle 60% and highest 20% income groups rose by 0.4 per cent and 0.6 per cent respectively. Excluding imputed rentals on OOA, the CPI for both the middle 60% and highest 20% income groups rose by 1.5 per cent, while that for the lowest 20% income group increased by 1.8 per cent.

The decline in the CPI-All Items for the lowest 20% income group in the second half of 2017 was mainly due to lower accommodation costs. On the other hand, the middle 60% and highest 20% income groups experienced an increase in their respective CPI-All Items on account of higher food and petrol prices, tuition & other fees, healthcare services cost<sup>[2]</sup>, parking fees, water price, electricity tariffs and salary for foreign domestic workers (FDWs), which had more than offset the effect of lower accommodation costs and bus & train fares. Compared to the middle 60% income group, the highest 20% income group recorded a larger increase in its CPI-All Items because accommodation costs account for a lower share of its expenditure basket and also saw a smaller decline.

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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 owner-occupied households, an additional indicator of inflation, "CPI All Items less imputed rentals on owner-occupied accommodation", is compiled.

<sup>[2]</sup> 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.

## **Consumer Price Index, 2017**

For the whole of 2017, the CPI-All Items for general households rose by 0.6 per cent, reversing the 0.5 per cent decline in 2016. Excluding imputed rentals on OOA, the CPI rose by 1.7 per cent in 2017, higher than the 0.3 per cent increase in 2016.

By household income groups, the CPI-All Items for the lowest 20% income group fell by 0.1 per cent in 2017, the third consecutive annual decline. However, the CPI-All Items for the middle 60% and highest 20% income groups rose by 0.5 per cent and 0.8 per cent respectively, reversing the declines recorded in 2016. Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups increased by 1.8 per cent, 1.7 per cent and 1.8 per cent respectively in 2017.

The decline in the CPI-All Items for the lowest 20% income group in 2017 primarily reflected lower accommodation costs as well as bus & train fares. On the other hand, the middle 60% and highest 20% income groups saw an increase in their respective CPI-All Items in 2017 as a result of higher food and petrol prices, tuition & other fees, healthcare services cost<sup>[2]</sup>, electricity tariffs, parking fees, road tax, salary for FDWs and water price. Collectively, these price increases had more than offset the fall in accommodation costs and bus & train fares.

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	<b>10,000</b>	2167	273	2625	475	615	1579	385	788	615	478	8101
Lowest 20%	<b>10,000</b>	2435	157	4002	359	812	732	397	466	261	379	7076
Middle 60%	<b>10,000</b>	2360	283	2615	432	623	1404	453	737	602	491	8104
Highest 20%	<b>10,000</b>	1835	280	2396	555	562	1984	288	920	700	480	8263
Percent Change Over Corresponding Period Of Previous Year												
<u>2017 Jul – Dec</u>												
General Households	0.5	1.4	1.0	-2.4	1.0	2.3	1.6	0.8	0.4	2.6	0.3	1.6
Lowest 20%	-0.1	1.5	1.1	-2.4	0.7	2.9	0.2	0.7	0.2	2.8	-0.2	1.8
Middle 60%	0.4	1.4	0.8	-2.5	0.7	2.5	1.3	0.8	0.4	2.7	0.1	1.5
Highest 20%	0.6	1.3	1.1	-2.3	1.3	2.0	2.0	0.8	0.5	2.6	0.8	1.5
<u>2017 Jan - Jun</u>												
General Households	0.7	1.4	0.2	-2.7	1.1	2.7	3.6	0.3	0.2	3.4	0.0	1.9
Lowest 20%	-0.1	1.5	0.5	-2.7	1.0	3.5	1.9	0.3	-0.1	3.3	-0.1	1.8
Middle 60%	0.6	1.5	0.2	-2.7	1.0	2.8	3.4	0.3	0.1	3.3	-0.2	1.8
Highest 20%	1.0	1.4	0.3	-2.5	1.4	2.2	4.0	0.3	0.4	3.6	0.3	2.0
<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
<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

\* 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.