



PRESS RELEASE

SINGAPORE CONSUMER PRICE INDEX BY HOUSEHOLD INCOME GROUPS

Consumer Price Index, July – December 2018

The Consumer Price Index (CPI)-All Items for general households rose by 0.6 per cent in the second half of 2018 as compared to the same period in 2017. This was higher than the 0.3 per cent increase in the first half of 2018. Excluding imputed rentals on owner-occupied accommodation (OOA)^[1], the CPI rose by 1.3 per cent in the second half of 2018, slightly higher than the 1.2 per cent recorded in the first half of 2018.

By household income groups, the CPI-All Items for the lowest 20%, middle 60% and highest 20% income groups increased by 0.6 per cent, 0.6 per cent and 0.5 per cent respectively in the second half of 2018. For all three income groups, the increase in their respective CPIs in the second half of 2018 was due to higher food and petrol prices, electricity tariffs^[2], tuition & other fees, water price, medical & dental treatment^[3] costs, holiday expenses, as well as cigarette prices. These price increases were partially offset by lower accommodation costs, car prices, as well as bus and train fares.

Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups increased by 2.1 per cent, 1.4 per cent and 1.1 per cent respectively. The middle 60% and highest 20% income groups saw a smaller increase in their respective CPIs excluding OOA as compared to the lowest 20% income group, partly because the fall in car prices had a larger dampening effect on their CPIs excluding OOA given their higher expenditure shares on cars. In addition, the increase in electricity tariffs, food and water prices, medical & dental treatment costs and cigarette prices had a smaller impact on their CPIs excluding OOA as their expenditure shares on these items were lower as compared to the lowest 20% income group.

^[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 owner-occupier households, an additional indicator of inflation, "CPI All Items less imputed rentals on OOA", is compiled.

^[2] The CPI for electricity tariffs takes into account the impact of the phased nationwide launch of the Open Electricity Market (OEM), which has helped to dampen the increase in the CPI.

^[3] 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.

Consumer Price Index, 2018

For the whole of 2018, the CPI-All Items for general households rose by 0.4 per cent, lower than the 0.6 per cent increase in 2017. Excluding imputed rentals on OOA, CPI inflation came in at 1.3 per cent, slower than the 1.7 per cent recorded in 2017.

By household income groups, the CPI-All Items for the lowest 20%, middle 60% and highest 20% income groups rose by 0.2 per cent, 0.4 per cent and 0.5 per cent respectively in 2018. Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups increased by 1.8 per cent, 1.3 per cent and 1.1 per cent respectively.

For all three income groups, the increase in their respective CPIs excluding OOA in 2018 was due to higher food and petrol prices, tuition & other fees, electricity tariffs, medical & dental treatment costs, water price and holiday expenses, which were partially offset by lower car prices as well as bus and train fares. The CPIs excluding OOA of the middle 60% and highest 20% income groups rose at a slower pace as compared to that of the lowest 20% income group because of two key factors. First, the fall in car prices had a larger dampening effect on the CPIs excluding OOA of the middle 60% and highest 20% income groups given their higher expenditure shares on cars compared to the lowest 20% income group. Second, the rise in food prices, electricity tariffs, water price, as well as medical & dental treatment costs had a smaller impact on the CPIs excluding OOA of the middle 60% and highest 20% income groups because of their smaller expenditure shares on these items.

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 | Communication | 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>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 Jan - Jun</u> | | | | | | | | | | | | |
| General Households | 0.3 | 1.4 | 1.0 | -2.3 | 0.8 | 2.3 | 0.1 | -0.4 | 1.0 | 2.9 | 0.8 | 1.2 |
| Lowest 20% | -0.2 | 1.4 | 0.9 | -2.6 | 0.6 | 2.6 | -0.1 | -0.5 | 1.1 | 3.2 | 1.9 | 1.5 |
| Middle 60% | 0.2 | 1.4 | 0.8 | -2.5 | 0.6 | 2.3 | -0.2 | -0.4 | 1.0 | 2.9 | 1.1 | 1.2 |
| Highest 20% | 0.4 | 1.4 | 0.9 | -2.0 | 1.0 | 1.9 | 0.4 | -0.3 | 1.1 | 2.8 | 0.2 | 1.2 |
| <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 CPI for electricity tariffs takes into account the impact of the phased nationwide launch of the Open Electricity Market (OEM), which has helped to dampen the increase in the CPI.