



# PRESS RELEASE

## SINGAPORE CONSUMER PRICE INDEX BY HOUSEHOLD INCOME GROUPS

### Consumer Price Index, July – December 2019

The Consumer Price Index (CPI)-All Items for general households rose by 0.5 per cent on a year-on-year basis in the second half of 2019, slightly lower than the 0.6 per cent increase in the first half of 2019. Excluding imputed rentals on owner-occupied accommodation (OOA)<sup>[1]</sup>, the CPI went up by 0.7 per cent in the second half of 2019, slower than the 1.1 per cent increase registered in the first half of 2019.

By household income groups, the CPI-All Items for the lowest 20% income group edged up by 0.1 per cent in the second half of 2019, while that for the middle 60% and highest 20% income groups increased by 0.4 per cent and 0.7 per cent respectively over the same period. Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups rose by 0.4 per cent, 0.6 per cent, and 0.9 per cent respectively.

For all three income groups, the increase in their respective CPI-All Items in the second half of 2019 was due to higher food prices, tuition & other fees, medical & dental treatment<sup>[2]</sup> costs, bus & train fares and holiday expenses, which collectively outweighed a decline in electricity cost<sup>[3]</sup>, imputed rentals on OOA and clothing & footwear costs. For the lowest 20% income group, its CPI-All Items rose at a slower pace compared to that of the other income groups because of several factors. First, car prices rose for all income groups except the lowest 20%.<sup>[4]</sup> Second, the decline in electricity cost had a larger dampening effect on the CPI-All Items of the lowest 20% income group given that electricity expenditure

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[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 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 provided over the first four years of MediShield Life.

[3] The fall in the CPI for electricity was due in part to the phased nationwide launch of the Open Electricity Market (OEM).

[4] In the second half of 2019, the prices of used cars fell while the prices of new cars rose on a year-on-year basis. As the lowest 20% income group's share of expenditure for used cars is larger than that for new cars, its CPI for cars fell in the second half of 2019. Given that the opposite is true for the middle 60% and highest 20% income groups, their respective CPIs for cars increased over the same period.

accounted for a larger share of its total expenditure. Third, the lowest 20% income group saw a smaller increase in tuition & other fees compared to the other income groups.

### **Consumer Price Index, 2019**

For the whole of 2019, the CPI-All Items for general households rose by 0.6 per cent, higher than the 0.4 per cent increase in 2018. Excluding imputed rentals on OOA, the CPI rose by 0.9 per cent in 2019, slower than the 1.3 per cent increase in 2018.

By household income groups, the CPI-All Items for the lowest 20%, middle 60% and highest 20% income groups increased by 0.3 per cent, 0.5 per cent and 0.8 per cent respectively in 2019. The larger increase experienced by the highest 20% income group was mainly due to a smaller decline in its imputed rentals on OOA, as well as a pickup in car prices even as car prices for the other income groups fell.

Excluding imputed rentals on OOA, the CPI for the lowest 20%, middle 60% and highest 20% income groups rose by 0.9 per cent, 0.8 per cent and 1.0 per cent respectively in 2019. For all three income groups, the increase was due to higher food prices, tuition & other fees, medical & dental treatment costs, bus & train fares, water price and holiday expenses, which were partially offset by a fall in electricity cost. Compared to the middle 60% income group, the CPI excluding OOA inflation of the lowest 20% income group was slightly higher as the increase in the prices of food, medical & dental treatment and water had a larger impact on its CPI given that these expenditure items accounted for a bigger share of its total expenditure.

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CONSUMER PRICE INDEX BY HOUSEHOLD INCOME GROUPS  
(2014 = 100)

Household 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	<b>10,000</b>	2,167	273	2,625	475	615	1,579	385	788	615	478	8,101
Lowest 20%	<b>10,000</b>	2,435	157	4,002	359	812	732	397	466	261	379	7,076
Middle 60%	<b>10,000</b>	2,360	283	2,615	432	623	1,404	453	737	602	491	8,104
Highest 20%	<b>10,000</b>	1,835	280	2,396	555	562	1,984	288	920	700	480	8,263
Percent Change Over Corresponding Period Of Previous Year												
<u>2019 Jul – Dec</u>												
General Households	0.5	1.6	-1.7	-1.4	0.7	0.8	1.5	-0.2	0.6	2.1	0.2	0.7
Lowest 20%	0.1	1.5	-0.9	-1.5	0.2	0.7	1.6	0.6	0.4	1.5	0.0	0.4
Middle 60%	0.4	1.6	-1.6	-1.6	0.4	0.6	1.3	-0.2	0.7	2.1	0.2	0.6
Highest 20%	0.7	1.7	-1.9	-1.0	1.0	1.2	1.7	-0.4	0.6	2.1	0.3	0.9
<u>2019 Jan - Jun</u>												
General Households	0.6	1.4	0.2	-0.6	0.9	1.4	0.1	-1.6	1.5	2.7	0.5	1.1
Lowest 20%	0.5	1.4	0.1	-0.6	0.6	2.0	-0.2	-0.9	1.2	2.4	1.1	1.4
Middle 60%	0.5	1.4	0.2	-0.7	0.8	1.4	-0.4	-1.6	1.4	2.6	0.7	1.0
Highest 20%	0.8	1.4	0.1	-0.5	1.1	1.4	0.6	-1.8	1.6	2.7	0.2	1.1
<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
<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

\* 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 nationwide launch of the Open Electricity Market (OEM) was implemented in phases. Since 1<sup>st</sup> May 2019, consumers from all geographical zones have been able to switch to an OEM retailer.