



# Services Producer Price Indices

## Second Quarter 2020

**Services Producer Price Indices**

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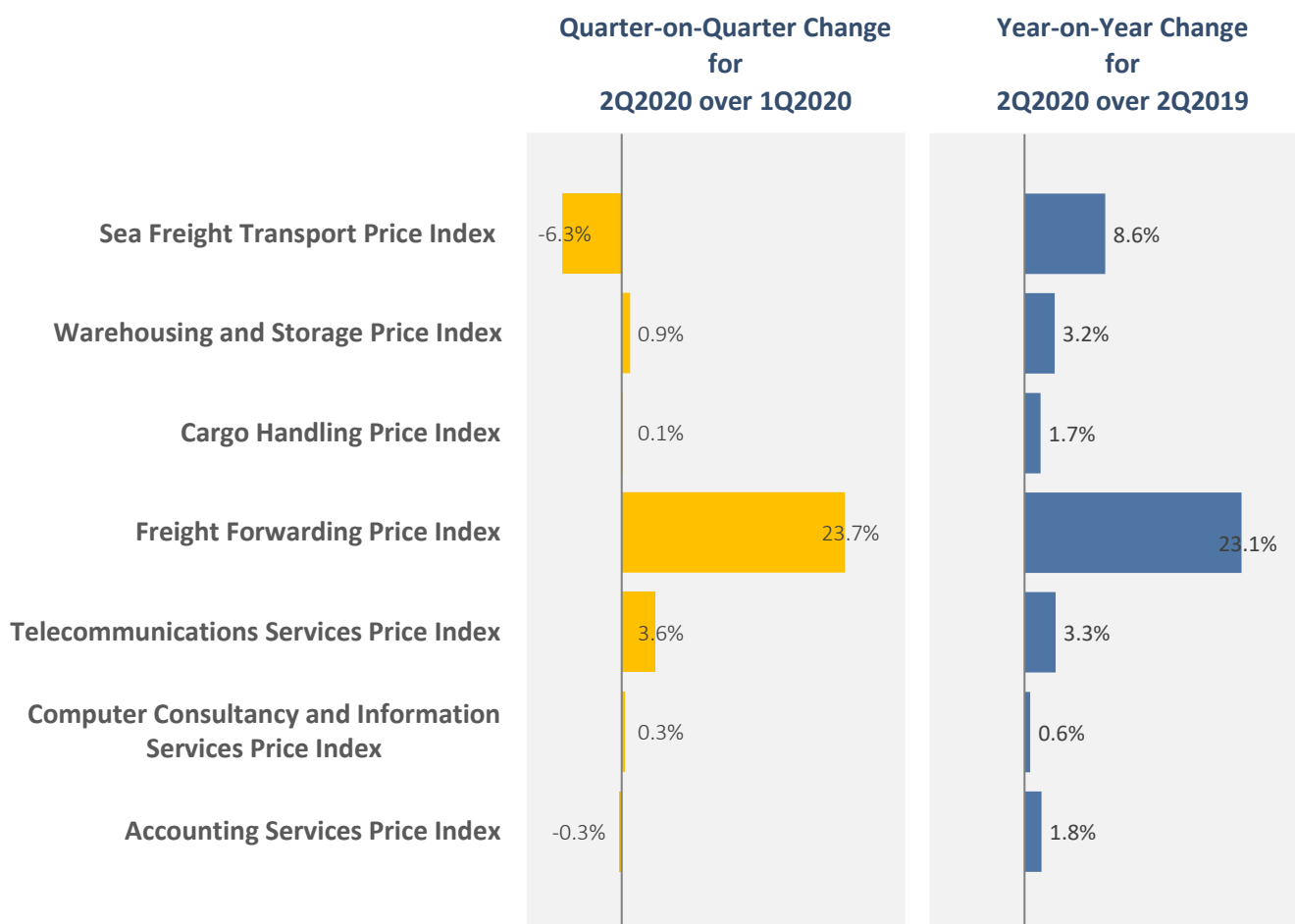
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## SERVICES PRODUCER PRICE INDICES SECOND QUARTER



The Department of Statistics (DOS) compiles a suite of Services Producer Price Indices (SPPIs) to measure the changes in the average prices of services produced by establishments, for selected industries of the Singapore economy. These are prices that reflect the amount received by a producer exclusive of any taxes. The SPPIs facilitate the analysis of macro-economic conditions and in monitoring price movements of the services sector. More importantly, the SPPIs are used mainly as price deflators in the national accounts to estimate the real growth of the services sector in Singapore.

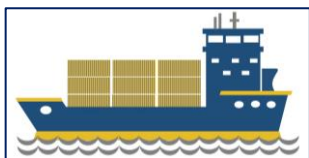
### OVERVIEW OF PRICE INDICES CHANGES



## PRICE INDEX CHANGES BY INDUSTRY

### SEA FREIGHT TRANSPORT PRICE INDEX (SFTPI)

The SFTPI measures changes in the prices of transporting seaborne freight by Singapore-registered ship operators.



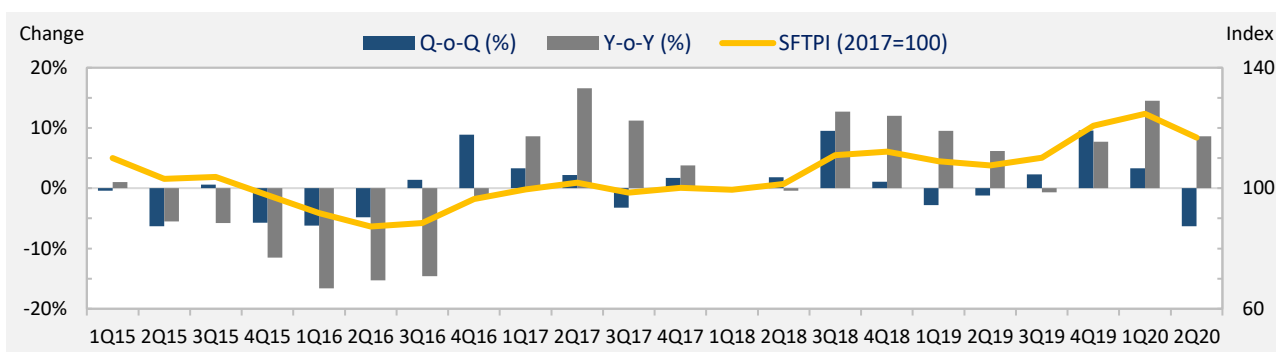
SFTPI (2017=100) for 2Q2020 : **116.8**

Quarter-on-Quarter Change for 2Q2020 over 1Q2020 : **-6.3%**

Year-on-Year Change for 2Q2020 over 2Q2019 : **+8.6%**

The SFTPI fell 6.3 per cent in 2Q2020 over the previous quarter, reversing the 3.3 per cent increase last quarter, led by declines in the crude oil freight price index, dry bulk freight price index and container freight price index.

Conversely, the SFTPI rose 8.6 per cent in 2Q2020 on a year-on-year basis, extending the 14.5 per cent increase in the previous quarter. This was attributed mainly to higher bulk liquid and crude oil freight rates.



### WAREHOUSING AND STORAGE PRICE INDEX (WSPI)

The WSPI measures changes in the prices of services produced by Singapore-registered warehousing and storage establishments.



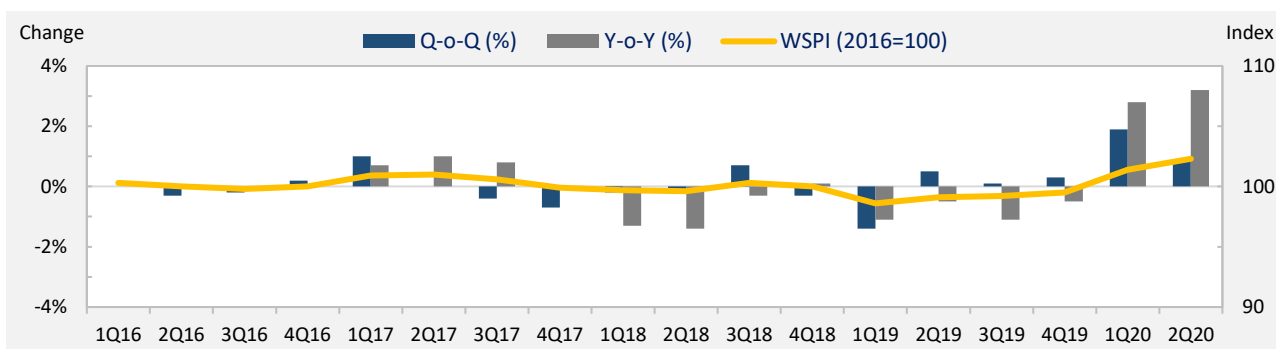
WSPI (2016=100) for 2Q2020 : **102.3**

Quarter-on-Quarter Change for 2Q2020 over 1Q2020 : **+0.9%**

Year-on-Year Change for 2Q2020 over 2Q2019 : **+3.2%**

The WSPI rose 0.9 per cent in 2Q2020 over the previous quarter, extending the 1.9 per cent increase in 1Q2020, primarily due to higher class cargo storage charges.

Similarly, the WSPI increased 3.2 per cent in 2Q2020 on a year-on-year comparison, arising mainly from higher class cargo storage charges.



## SERVICES PRODUCER PRICE INDICES, SECOND QUARTER 2020

### CARGO HANDLING PRICE INDEX (CHPI)

The CHPI measures changes in the prices of services provided by Singapore-registered cargo handling establishments.



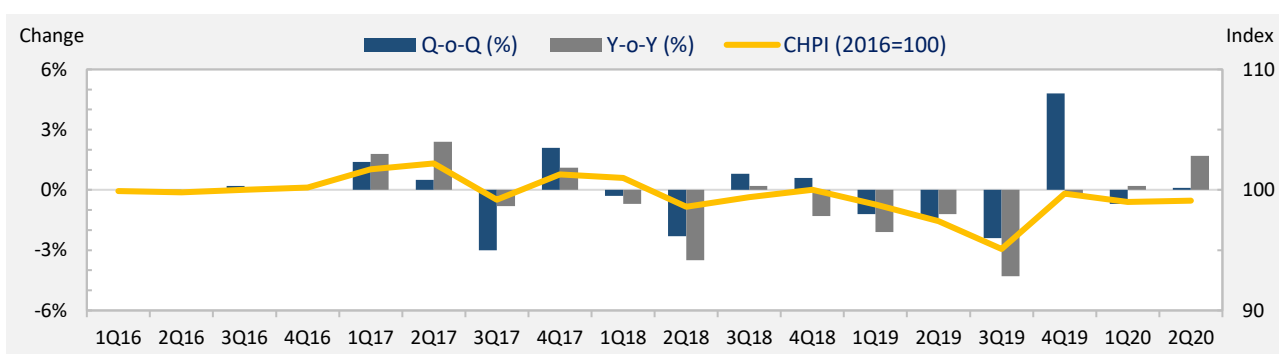
**CHPI (2016=100) for 2Q2020 : 99.1**

**Quarter-on-Quarter Change for 2Q2020 over 1Q2020 : +0.1%**

**Year-on-Year Change for 2Q2020 over 2Q2019 : +1.7%**

The CHPI increased 0.1 per cent in 2Q2020 over the previous quarter, reversing the 0.7 per cent decline in 1Q2020, due to higher prices for cargo surveying, container and stevedoring services.

Similarly, the CHPI rose 1.7 per cent in 2Q2020 on a year-on-year basis, attributed mainly to higher charges for crane services.



### FREIGHT FORWARDING PRICE INDEX (FFPI)

The FFPI measures changes in the prices for freight transport arrangement on behalf of a shipper, via air, sea and land transportation modes by Singapore-registered freight forwarding companies and non-vessel operating common carriers.



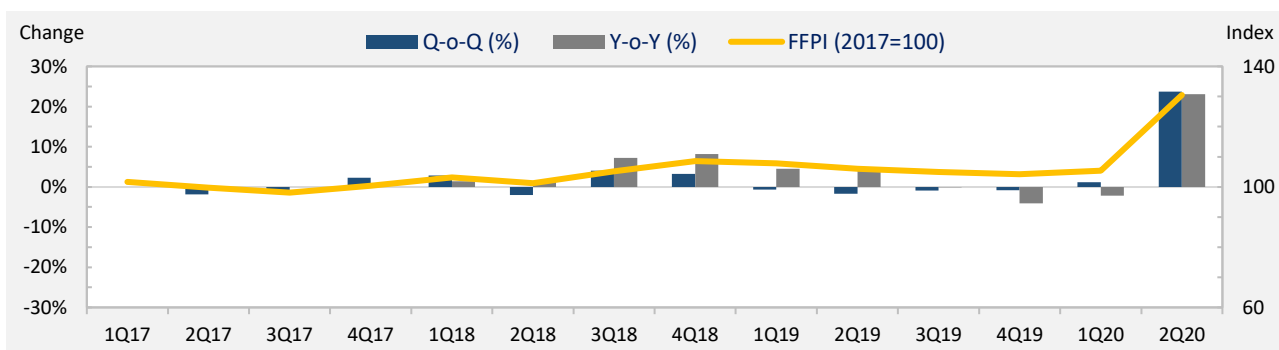
**FFPI (2017=100) for 2Q2020 : 130.5**

**Quarter-on-Quarter Change for 2Q2020 over 1Q2020 : +23.7%**

**Year-on-Year Change for 2Q2020 over 2Q2019 : +23.1%**

The FFPI surged 23.7 per cent in 2Q2020 over the previous quarter, following the 1.2 per cent increase in 1Q2020, led by higher air freight charges arising from the reduction in air cargo capacity during the COVID-19 pandemic.

Likewise, the FFPI increased 23.1 per cent in 2Q2020 on a year-on-year basis, mainly as a result of higher air freight forwarding charges amid the COVID-19 pandemic.



## SERVICES PRODUCER PRICE INDICES, SECOND QUARTER 2020

### TELECOMMUNICATIONS SERVICES PRICE INDEX (TSPI)

The TSPI measures changes in the prices of telecommunications services produced by Singapore-registered telecommunications services providers.



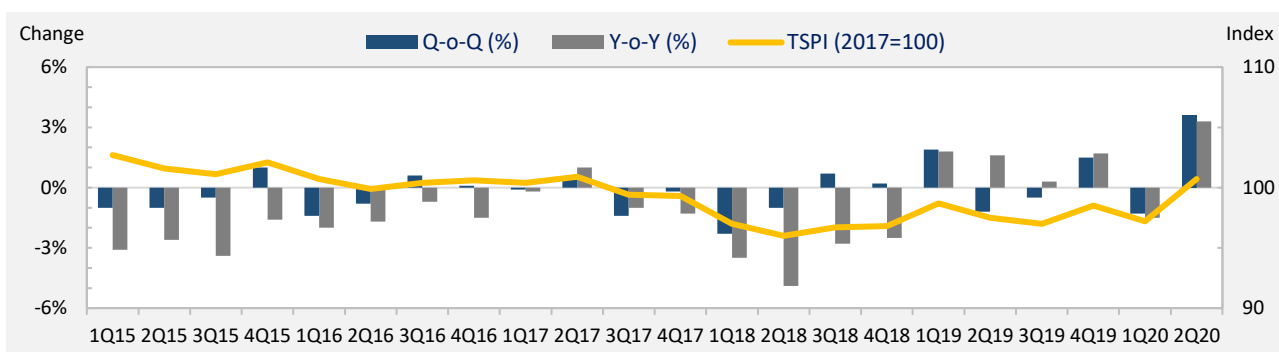
TSPI (2017=100) for 2Q2020 : **100.7**

Quarter-on-Quarter Change for 2Q2020 over 1Q2020 : **+3.6%**

Year-on-Year Change for 2Q2020 over 2Q2019 : **+3.3%**

The TSPI rose 3.6 per cent in 2Q2020 over the previous quarter, reversing the 1.3 per cent decline in the 1Q2020 due to higher rates of wireless services.

Similarly, the TSPI increased 3.3 per cent in 2Q2020 on a year-on-year basis, mainly attributed to higher prices of wireless services.



### COMPUTER CONSULTANCY AND INFORMATION SERVICES PRICE INDEX (CISPI)

The CISPI measures the changes in the prices of services produced by Singapore-registered information technology services providers.



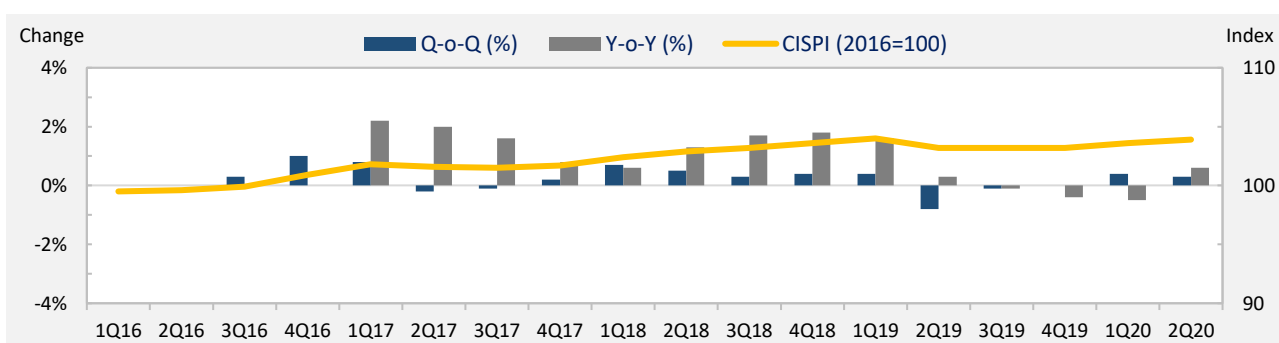
CISPI (2016=100) for 2Q2020 : **103.9**

Quarter-on-Quarter Change for 2Q2020 over 1Q2020 : **+0.3%**

Year-on-Year Change for 2Q2020 over 2Q2019 : **+0.6%**

The CISPI rose 0.3 per cent in 2Q2020 over the previous quarter, extending the 0.4 per cent gain in 1Q2020, due to higher programming and consultancy fees and higher rates for data and web hosting services.

Similarly, the CISPI increased 0.6 per cent in 2Q2020 on a year-on-year basis, reversing the 0.5 per cent decrease in 1Q2020 due to higher charges for programming and consultancy, and data and web hosting services.



## SERVICES PRODUCER PRICE INDICES, SECOND QUARTER 2020

### ACCOUNTING SERVICES PRICE INDEX (ASPI)

The ASPI measures changes in the prices of accounting and auditing services provided by Singapore-registered accounting establishments.



ASPI (2017=100) for 2Q2020 : **109.1**

Quarter-on-Quarter Change for 2Q2020 over 1Q2020 : **-0.3%**

Year-on-Year Change for 2Q2020 over 2Q2019 : **+1.8%**

The ASPI fell 0.3 per cent in 2Q2020 over the previous quarter, extending the 0.4 per cent decrease in 1Q2020, due mainly to lower rates of book-keeping, business advisory and audit & assurance services.

On the other hand, the ASPI rose 1.8 per cent in 2Q2020 on a year-on-year comparison, due to increases in the rates for audit & assurance and tax advisory & compliance services.

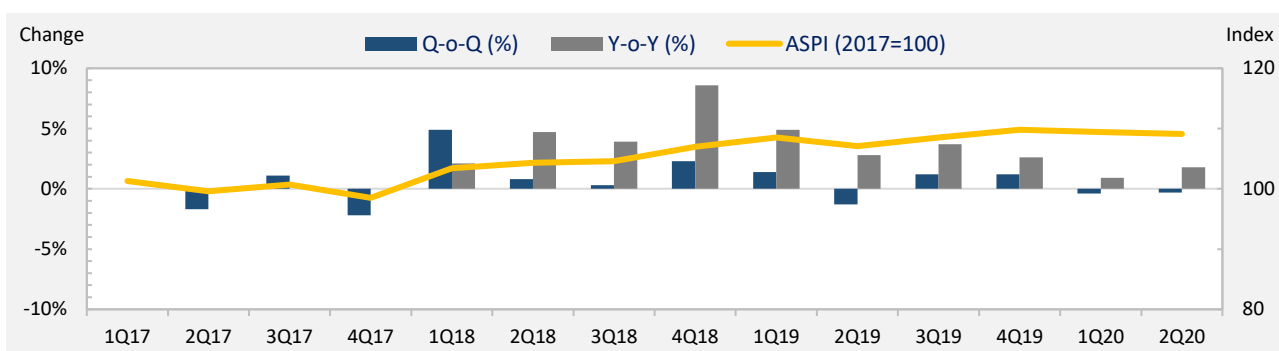


TABLE 1

## Quarterly Services Producer Price Indices

Services Producer Price Index	Base Year	Indicator	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Sea Freight Transport	2017	Index	101.8	98.5	100.1	99.5	101.4	111.0	112.1	109.0	107.6	110.1	120.7	124.7	116.8
		Q-o-Q(%)	2.2	-3.2	1.7	-0.6	1.8	9.5	1.1	-2.8	-1.2	2.3	9.6	3.3	-6.3
		Y-o-Y(%)	16.6	11.2	3.8	-0.1	-0.4	12.7	12.0	9.5	6.2	-0.7	7.7	14.5	8.6
Warehousing and Storage	2016	Index	101.0	100.6	99.9	99.7	99.6	100.3	100.0	98.6	99.1	99.2	99.5	101.4	102.3
		Q-o-Q(%)	0.0	-0.4	-0.7	-0.2	-0.1	0.7	-0.3	-1.4	0.5	0.1	0.3	1.9	0.9
		Y-o-Y(%)	1.0	0.8	-0.1	-1.3	-1.4	-0.3	0.1	-1.1	-0.5	-1.1	-0.5	2.8	3.2
Cargo Handling	2016	Index	102.2	99.2	101.3	101.0	98.6	99.4	100.0	98.8	97.4	95.1	99.7	99.0	99.1
		Q-o-Q(%)	0.5	-3.0	2.1	-0.3	-2.3	0.8	0.6	-1.2	-1.4	-2.4	4.8	-0.7	0.1
		Y-o-Y(%)	2.4	-0.8	1.1	-0.7	-3.5	0.2	-1.3	-2.1	-1.2	-4.3	-0.2	0.2	1.7
Freight Forwarding	2017	Index	99.8	98.1	100.4	103.2	101.2	105.2	108.6	107.8	106.0	105.0	104.2	105.4	130.5
		Q-o-Q(%)	-1.9	-1.7	2.3	2.8	-2.0	4.0	3.2	-0.7	-1.7	-0.9	-0.8	1.2	23.7
		Y-o-Y(%)	-	-	-	1.4	1.4	7.2	8.2	4.5	4.8	-0.1	-4.1	-2.2	23.1
Telecommunications Services	2017	Index	100.9	99.4	99.3	97.0	96.0	96.7	96.8	98.7	97.5	97.0	98.5	97.2	100.7
		Q-o-Q(%)	0.4	-1.4	-0.2	-2.3	-1.0	0.7	0.2	1.9	-1.2	-0.5	1.5	-1.3	3.6
		Y-o-Y(%)	1.0	-1.0	-1.3	-3.5	-4.9	-2.8	-2.5	1.8	1.6	0.3	1.7	-1.5	3.3
Computer Consultancy and Information Services	2016	Index	101.6	101.5	101.7	102.4	102.9	103.2	103.6	104.0	103.2	103.2	103.2	103.6	103.9
		Q-o-Q(%)	-0.2	-0.1	0.2	0.7	0.5	0.3	0.4	0.4	-0.8	-0.1	0.0	0.4	0.3
		Y-o-Y(%)	2.0	1.6	0.8	0.6	1.3	1.7	1.8	1.6	0.3	-0.1	-0.4	-0.5	0.6
Accounting Services	2017	Index	99.6	100.7	98.5	103.4	104.3	104.6	107.0	108.5	107.1	108.5	109.8	109.4	109.1
		Q-o-Q(%)	-1.7	1.1	-2.2	4.9	0.8	0.3	2.3	1.4	-1.3	1.2	1.2	-0.4	-0.3
		Y-o-Y(%)	-	-	-	2.1	4.7	3.9	8.6	4.9	2.8	3.7	2.6	0.9	1.8

## Notes:

Q-o-Q(%) refers to Percentage change of a quarter index over the previous quarter.

Y-o-Y(%) refers to Percentage change of a quarter index over the same quarter in the previous year.

Base Year refers to the Price reference period and Index reference period of the index.



## SERVICES PRODUCER PRICE INDICES, SECOND QUARTER 2020

**TABLE 2**

### Annual Services Producer Price Indices

Services Producer Price Index	Base Year	Indicator	2015	2016	2017	2018	2019
Sea Freight Transport <sup>1</sup>	2017	Index	103.6	91.0	100.0	106.0	111.9
		Y-o-Y(%)	-5.5	-12.2	9.9	6.0	5.5
Warehousing and Storage <sup>2</sup>	2016	Index	-	100.0	100.6	99.9	99.1
		Y-o-Y(%)	-	-	0.6	-0.7	-0.8
Cargo Handling <sup>3</sup>	2016	Index	-	100.0	101.1	99.7	97.8
		Y-o-Y(%)	-	-	1.1	-1.3	-2.0
Freight Forwarding <sup>4</sup>	2017	Index	-	-	100.0	104.5	105.7
		Y-o-Y(%)	-	-	0.0	4.5	1.2
Telecommunications Services <sup>5</sup>	2017	Index	101.9	100.4	100.0	96.6	97.9
		Y-o-Y(%)	-2.7	-1.5	-0.4	-3.4	1.3
Computer Consultancy and Information Services <sup>6</sup>	2016	Index	-	100.0	101.7	103.1	103.4
		Y-o-Y(%)	-	-	1.7	1.4	0.3
Accounting Services <sup>7</sup>	2017	Index	-	-	100.0	104.8	108.5
		Y-o-Y(%)	-	-	-	4.8	3.5

**Notes:**

Y-o-Y(%) refers to Percentage change of an annual index over the previous year.

Base Year refers to the Price reference period and Index reference period of the index.

<sup>1</sup>The Sea Freight Transport Price Index series started in 2007.

<sup>2</sup>The Warehousing and Storage Price Index series started in 2016.

<sup>3</sup>The Cargo Handling Price Index series started in 2016.

<sup>4</sup>The Freight Forwarding Price Index series started in 2017.

<sup>5</sup>The Telecommunications Services Price Index series started in 2009.

<sup>6</sup>The Computer Consultancy and Information Services Price Index series started in 2016.

<sup>7</sup>The Accounting Services Price Index series started in 2017.

**TABLE 3**

**Coverage of Services Producer Price Indices**

Services Producer Price Index	Coverage by SSIC 2020 <sup>1</sup>
Sea Freight Transport Price Index (2017=100)	<ul style="list-style-type: none"> <li>• 50021-Shipping companies, including chartering of ships and boats with crew (freight)</li> <li>• Chartering of vessels without operator, and operation of barges, tugboats are excluded.</li> </ul>
Warehousing and Storage Price Index (2016=100)	<ul style="list-style-type: none"> <li>• 52101-General warehousing</li> <li>• 52102-Refrigerated warehousing and storage</li> <li>• 52103-Storage for dangerous goods</li> <li>• 52109-Specialised storage n.e.c.</li> <li>• Operation of self-storage facilities and rental of storage space are excluded.</li> </ul>
Cargo Handling Price Index (2016=100)	<ul style="list-style-type: none"> <li>• 52241-Container depot services</li> <li>• 52242-Crane services for all industries except construction</li> <li>• 52243-Stevedoring services</li> <li>• 52291-Cargo surveying services</li> <li>• Operation of port terminal facilities is excluded.</li> </ul>
Freight Forwarding Price Index (2017=100)	<ul style="list-style-type: none"> <li>• 52292-Freight transport arrangement</li> <li>• Shipping agents, haulage services, packing and crafting firms are excluded.</li> </ul>
Telecommunications Services Price Index (2016=100)	<ul style="list-style-type: none"> <li>• 61011-Wired telecommunications network operation</li> <li>• 61012-Mobile cellular and other wireless telecommunications network operation</li> <li>• 61092-Internet access providers, include ISPs</li> <li>• 61099-Other telecommunications activities n.e.c.</li> <li>• Third party telco providers, radio and TV broadcast are excluded.</li> </ul>
Computer Consultancy and Information Services Price Index (2016=100)	<ul style="list-style-type: none"> <li>• 6201-Computer programming activities</li> <li>• 6202-Information technology consulting and computer facilities management activities</li> <li>• 6209-Other information technology and computer service activities</li> <li>• 6311-Data analytics processing, hosting and related activities</li> <li>• Publishers of packaged software, sales of computer hardware or software are excluded.</li> </ul>
Accounting Services Price Index (2017=100)	<ul style="list-style-type: none"> <li>• 69201-Accounting and auditing services</li> <li>• 69202-Book-keeping services</li> <li>• Accounting training services and software are excluded.</li> </ul>

Notes:

<sup>1</sup>SSIC 2020 – Singapore Standard Industrial Classification 2020, Department of Statistics.

## EXPLANATORY NOTES

The Services Producer Price Indices (SPPIs) cover key priority services sectors that require price deflators to obtain more precise and reliable measurement of real national account estimates.

The SPPIs are compiled from prices collected from routine statutory price surveys conducted by DOS under the Statistics Act (Chapter 317), or from online or administrative sources. The selection of companies for the price survey of an industry is generally based on judgemental and stratified sampling methods. A representative sample of service products that can be priced over time, is selected from each company.

The SPPIs are aligned to the Singapore Standard Industrial Classification. They are calculated using the modified Laspeyres price index formula with fixed base weights<sup>1</sup>, where the weights reference period precedes the price reference period. The price indices at the higher level are aggregated from the lower level price indices together with their corresponding weights using weighted arithmetic means. Non-responses are imputed for, in accordance with IMF guidelines<sup>2</sup> and aligned with the best practices of other National Statistical Offices overseas.

The SPPIs are rebased every five years to ensure they remain relevant to the selected industries. During the rebasing exercise, the basket of services and the weights structure of the SPPI are updated to correspond to the prevailing production patterns of the industry. The weights are mainly obtained from surveys conducted by DOS and supplemented by administrative data. The frequency of rebasing may be shorter for service industries that are more dynamic.

The SPPIs are published quarterly. The quarters are defined as 1Q-(Jan to Mar), 2Q-(Apr to Jun), 3Q-(Jul to Sep) and 4Q-(Oct to Dec). The quarter-on-quarter change (Q-o-Q) refers to the percentage change of the reference quarter over the previous quarter e.g. 2Q2020/1Q2020. The year-on-year change (Y-o-Y) refers to the percentage change of the reference quarter over the same quarter in the previous year e.g. 2Q2020/2Q2019.

The published SPPIs are not seasonally adjusted. The published indices for previous reference quarters may be revised when late returns and amendments received from survey respondents are incorporated at a later date.

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<sup>1</sup> Modified Laspeyres Price Index Formula

$$PLas(m) = \sum w^b \left( \frac{p^t}{p^0} \right) \quad \begin{array}{l} p^t = \text{prices of period } t, \quad p^0 = \text{prices in the price reference period } 0; \\ w^b = \text{weights shares in weights reference period } b \end{array}$$

<sup>2</sup> Producer Price Index Manual : Theory and Practice : International Monetary Fund, 2004

DISSEMINATION OF DATA

This Services Producer Price Indices report is published on the 25<sup>th</sup> day of the 3<sup>rd</sup> month after the reference quarter, or the next working day if it falls on a Saturday, Sunday or Public Holiday. The indices are available on the SingStat Website ([www.singstat.gov.sg/tablebuilder](http://www.singstat.gov.sg/tablebuilder)). Excel tables for this quarter's report are available at [www.singstat.gov.sg/publications/economy/services-producer-price-indices](http://www.singstat.gov.sg/publications/economy/services-producer-price-indices) or through the QR code below:



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