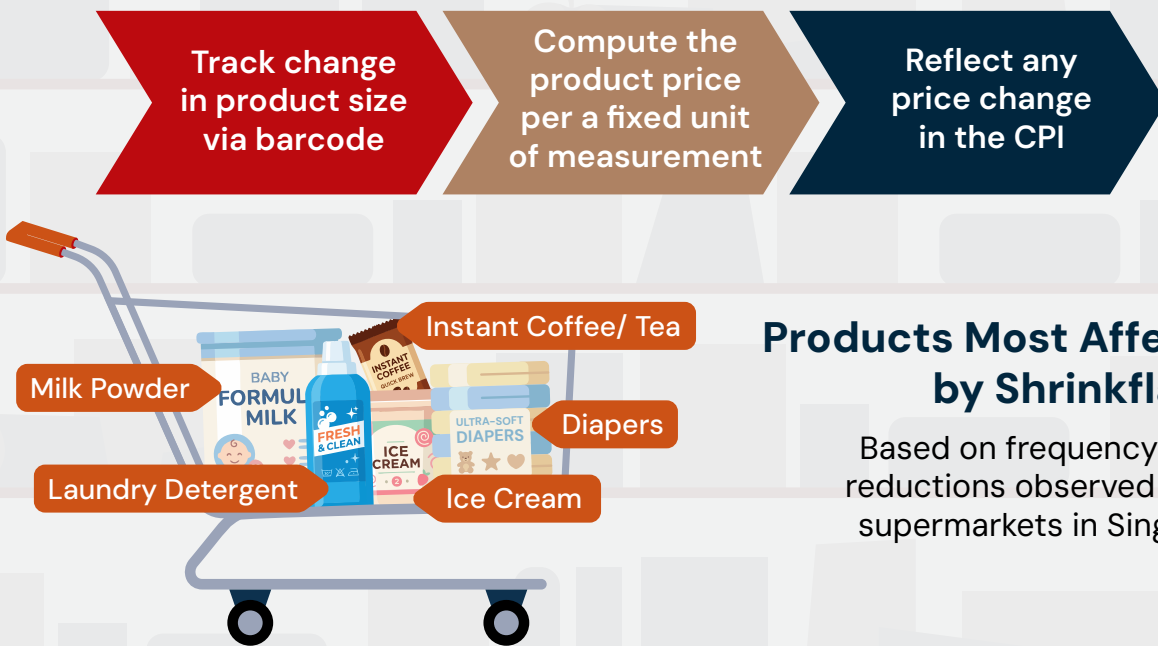


WHAT IS SHRINKFLATION?

When a **smaller quantity of a product is sold for the same or higher price**, consumers are effectively paying more per unit. This is known as 'Shrinkflation'.

In compiling the Consumer Price Index (CPI), changes in product size are systematically tracked and adjusted when feasible, by computing the prices per a fixed unit of measurement, e.g., price per kilogram.

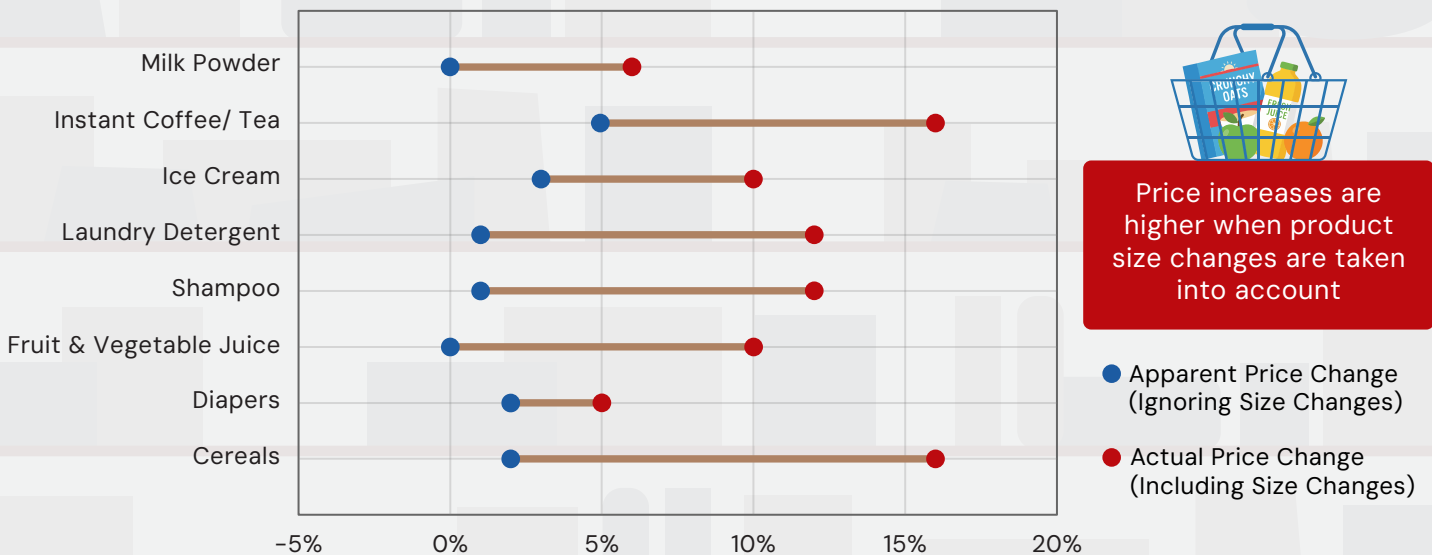
The main data source is retail price data from supermarkets and barcode-level data such as price, weight/ volume and packaging. Data are then processed to reflect price changes in the CPI.



Products Most Affected by Shrinkflation

Based on frequency of size reductions observed across supermarkets in Singapore.

Actual vs Apparent Price Changes (Month-on-Month) When Product Sizes Shrink, 2024-2025 (%)



The Hidden Cost of Smaller Products



While the bottle of shampoo costs \$2 more, consumers pay 56% more per litre because less product is being bought for the same amount of money.

When 'More' Still Means Higher Prices



While consumers get 5% more cereal, they pay 14% more per kg.

Unit Pricing to Enhance Price Transparency

For easy comparison of products prices across different brands and package sizes, the Consumers Association of Singapore and the Competition and Consumer Commission of Singapore have partnered with major supermarket chains to pilot the display of unit prices for selected items. Unit pricing is adopted in countries such as Australia, the European Union and the United Kingdom.

