



PRESS RELEASE

SINGAPORE CONSUMER PRICE INDEX FOR HOUSEHOLDS IN DIFFERENT INCOME GROUPS

Consumer Price Index, July – December 2015

The Consumer Price Index (CPI)-All Items for general households fell by 0.7 per cent in the second half of 2015 compared with the same period a year ago. This fall was larger than the decline of 0.4 per cent in the first half of 2015. Excluding imputed rentals on owner-occupied accommodation (OOA)^[1], the CPI remained unchanged, after registering a slight increase of 0.2 per cent in the first half of 2015.

During the second half of 2015, the CPI-All Items for the lowest 20%, middle 60% and highest 20% income groups fell by 1.4 per cent, 0.5 per cent and 0.8 per cent respectively. Excluding imputed rentals on OOA, the CPI for the lowest 20% and highest 20% income groups declined by 0.7 per cent and 0.3 per cent respectively, while that for the middle 60% rose by 0.2 per cent.

For all income groups, the main items responsible for the decline in their respective CPI-All Items were lower accommodation costs and electricity tariffs. Compared to the middle 60% income group, the lowest 20% and highest 20% income groups experienced larger declines in their respective CPI-All Items. For the lowest 20% income group, this was mainly due to lower accommodation and healthcare services^[2] costs, which had a larger impact on its CPI because of its higher share of expenditure on these items. On the other hand, the highest 20% income group experienced a sharper decline in its CPI-All items compared to the middle 60% because of the fall in car prices, which had a larger impact on its CPI because of its higher expenditure share on cars. The same factors contributed to the differences in growth rates of CPI excluding imputed rentals on OOA registered by the different income groups in the second half of 2015.

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

^[2] This takes into account various Government subsidies for healthcare services (e.g. for lower- to middle-income Singaporeans and Pioneer Generation members), including support for MediShield Life premiums.

Consumer Price Index, 2015

For the whole of 2015, the CPI-All Items for general households fell by 0.5 per cent, the first decline since 2002. The CPI excluding imputed rentals on OOA edged up by 0.1 per cent in 2015, lower than the 1.2 per cent increase in 2014.

In terms of the different income groups, the CPI-All Items for the lowest 20%, middle 60% and highest 20% income groups decreased by 1.1 per cent, 0.3 per cent and 0.7 per cent respectively in 2015. Excluding imputed rentals on OOA, the CPI for the lowest 20% and highest 20% income groups dipped by 0.4 per cent and 0.1 per cent respectively, while that for the middle 60% went up by 0.3 per cent.

For all income groups, the decline in their respective CPI-All Items in 2015 was driven by lower accommodation costs and electricity tariffs, which had more than offset the increase in food prices.

Compared to the middle 60% income group, the lowest 20% saw a larger decline in its CPI-All Items primarily because of lower accommodation and healthcare services^[2] costs, which had a larger impact on its CPI due to its higher expenditure shares on these items. For the highest 20% income group, lower car prices, along with a higher expenditure share on cars, contributed to the larger decline in its CPI-All items compared to that for the middle 60% income group. These factors also accounted for the differences in growth rates of CPI excluding imputed rentals on OOA registered by the different income groups in 2015.

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>2015 Jul - Dec</u>												
General Households	-0.7	1.8	1.0	-3.9	-1.7	-0.1	-1.3	-0.6	0.7	3.6	-0.3	-
Lowest 20%	-1.4	1.2	1.8	-3.8	-1.9	-3.4	0.8	-0.7	0.9	1.3	-0.3	-0.7
Middle 60%	-0.5	1.7	1.0	-4.0	-1.7	-0.3	0.1	-0.6	0.8	3.3	-0.3	0.2
Highest 20%	-0.8	2.1	0.8	-3.8	-1.8	1.4	-2.9	-0.4	0.5	3.8	-0.5	-0.3
<u>2015 Jan - Jun</u>												
General Households	-0.4	2.1	-0.8	-3.2	0.5	-	-1.5	1.3	-	3.3	0.3	0.2
Lowest 20%	-0.7	2.0	-1.1	-2.9	0.6	-2.9	0.5	1.0	0.1	1.8	0.8	-0.1
Middle 60%	-0.2	2.1	-0.7	-3.1	0.5	-0.3	-0.7	1.2	-	3.0	0.5	0.4
Highest 20%	-0.6	2.2	-0.9	-3.4	0.5	1.7	-2.4	1.5	-0.1	3.5	-0.3	-
<u>2015</u>												
General Households	-0.5	1.9	0.1	-3.5	-0.6	-0.1	-1.4	0.3	0.3	3.4	-	0.1
Lowest 20%	-1.1	1.6	0.3	-3.3	-0.7	-3.1	0.7	0.1	0.5	1.6	0.2	-0.4
Middle 60%	-0.3	1.9	0.2	-3.5	-0.6	-0.3	-0.3	0.3	0.4	3.2	0.1	0.3
Highest 20%	-0.7	2.1	-0.1	-3.6	-0.6	1.5	-2.6	0.5	0.2	3.7	-0.4	-0.1
<u>2014</u>												
General Households	1.0	2.9	-0.8	0.1	1.8	2.8	-1.2	-0.2	1.8	3.4	1.2	1.2
Lowest 20%	1.5	3.0	-1.1	0.6	1.3	2.9	0.7	-0.3	1.9	2.7	2.6	1.8
Middle 60%	1.2	3.0	-0.9	0.4	1.5	2.7	-1.1	-0.2	1.9	3.4	1.4	1.3
Highest 20%	0.7	2.8	-0.7	-0.5	2.1	2.7	-1.5	-0.1	1.5	3.5	0.6	1.0

* This takes into account various Government subsidies for healthcare services (e.g. for lower- to middle-income Singaporeans and Pioneer Generation members), including support for MediShield Life premiums.