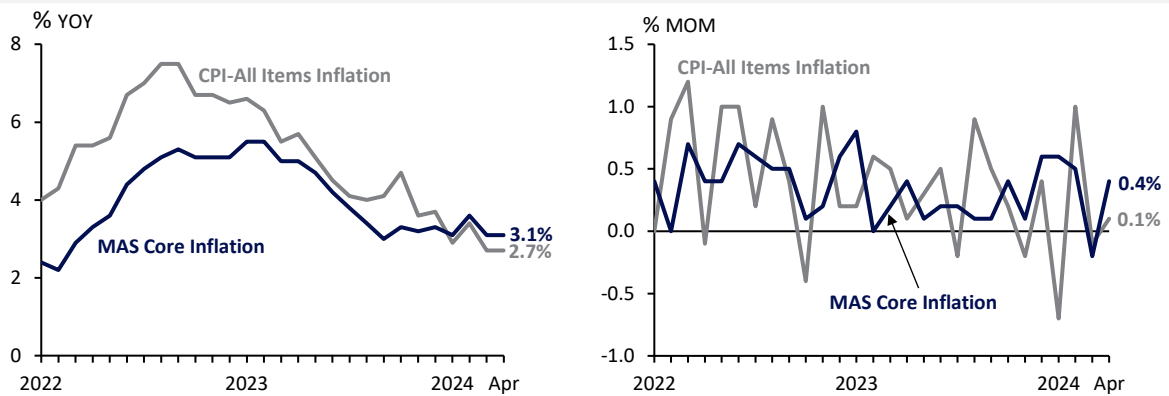


## Consumer Price Developments in April 2024

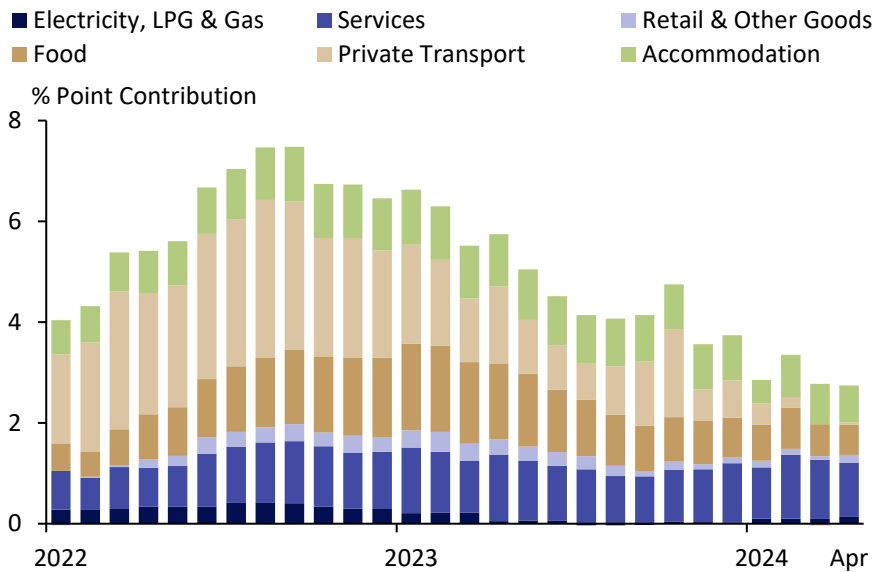
### Summary

- MAS Core Inflation came in at **3.1%** on a year-on-year (y-o-y) basis in April, unchanged from March.
  - An increase in electricity & gas and retail & other goods inflation was offset by lower services and food inflation.
  - On a month-on-month (m-o-m) basis, core CPI rose by **0.4%**.
- CPI-All Items inflation also remained stable at **2.7%** y-o-y in April, unchanged from March.
  - An increase in private transport costs was offset by lower accommodation inflation, even as core inflation remained unchanged.
  - On a m-o-m basis, CPI-All Items edged up by **0.1%**.

**Chart 1: MAS Core and CPI-All Items Inflation**



**Chart 2: % Point Contribution to Year-on-year CPI-All Items Inflation**

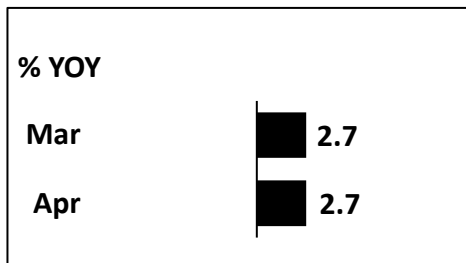


\* Private transport and accommodation are excluded from the MAS Core Inflation measure.

Source: MAS, MTI estimates

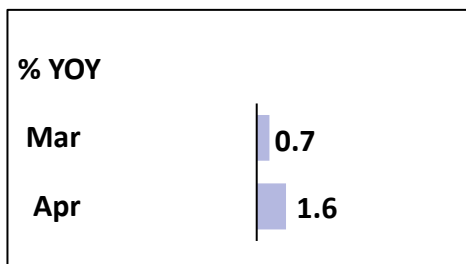
**CPI-All Items inflation was unchanged at 2.7% y-o-y in April.**

CPI-All Items



CPI-All Items inflation was unchanged as the fall in services, food and accommodation inflation was broadly offset by the increase in private transport costs and higher inflation for electricity & gas and retail & other goods.

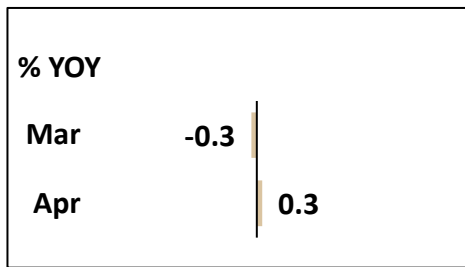
Retail & Other Goods



Retail & other goods inflation rose due to the hike in water prices<sup>1</sup>, a steeper increase in the prices of personal effects, and a smaller decline in the prices of clothing & footwear.

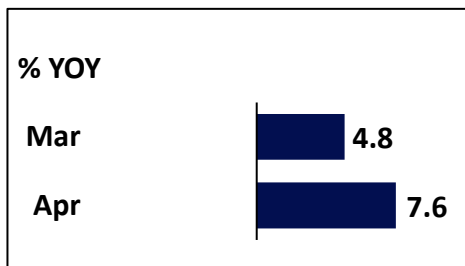
<sup>1</sup> The “water price” component of the CPI-All Items basket comes under the “retail & other goods” category.

### Private Transport



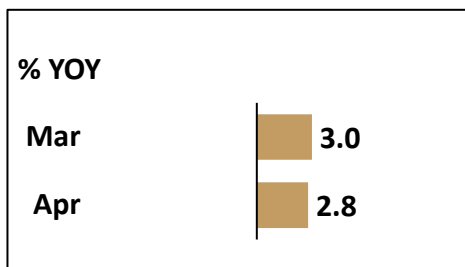
Private transport costs increased as car prices fell at a slower rate and petrol prices rose more steeply.

### Electricity & Gas



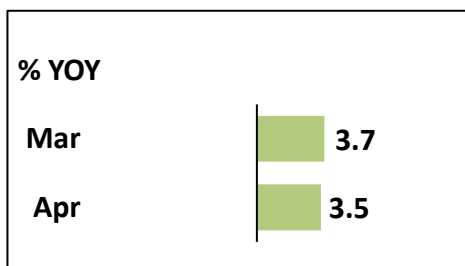
Electricity & gas inflation picked up on account of larger increases in electricity and gas tariffs.<sup>2</sup>

### Food



Food inflation edged down as the prices of non-cooked food and food services rose at a slower pace.

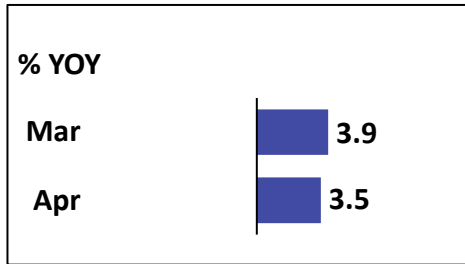
### Accommodation



Accommodation inflation eased on account of smaller increases in housing rents and the cost of housing maintenance & repairs.

<sup>2</sup> While electricity and gas tariffs for the period of April to June 2024 are lower than that for the period of January to March 2024, they were higher in y-o-y terms in April 2024 due to the low base in April 2023.

## Services



Services inflation dipped on the back of a larger decline in airfares and a more modest pace of increase in holiday expenses.

## Outlook

Crude oil prices have been volatile in recent months but the global prices of most food commodities, as well as intermediate and final manufactured goods, have remained relatively stable or continued to decline. In addition, inflation for services associated with overseas travel should moderate further over the course of the year as supply conditions in the air transport and hospitality sectors around the world improve. The gradually strengthening S\$ trade-weighted exchange rate should also continue to temper Singapore's imported inflation in the months ahead.

On the domestic front, increases in unit labour costs are expected to slow over the course of the year in tandem with the cooling labour market. Nonetheless, businesses are likely to continue passing through the earlier increases in labour and other business costs to consumer prices, albeit at a reduced pace.

MAS Core Inflation is expected to stay on a gradual moderating trend over the rest of the year and step down more discernibly in Q4 2024, as import cost pressures continue to decline and tightness in the domestic labour market eases.

Private transport inflation is expected to moderate from last year amid the larger projected COE supply this year. Accommodation inflation should also continue to ease as the supply of housing units available for rental increases over the course of the year.

For 2024 as a whole, both headline and core inflation are projected to average 2.5–3.5%. Excluding the transitory effects of the 1%-point increase in the GST rate to 9%, headline and core inflation are expected to come in at 1.5–2.5%.

However, risks to the inflation outlook remain. Fresh geopolitical shocks and adverse weather events around the world could put upward pressure on global energy and food commodity prices, as well as shipping costs. Domestically, a stronger-than-expected labour market could also lead to a re-acceleration in wage growth. Conversely, an unexpected weakening in the global economy could induce a greater easing of cost and price pressures.

MONETARY AUTHORITY OF SINGAPORE

MINISTRY OF TRADE AND INDUSTRY

23 May 2024

## **Annex: Price Indicators**

### **CPI-All Items**

The CPI is commonly used as a measure of consumer price changes in the economy. It tracks the change in prices of a fixed basket of consumption goods and services commonly purchased by the general resident households over time.

The CPI covers only consumption expenditure incurred by resident households. It excludes non-consumption expenditures such as purchases of houses, shares and other financial assets and income taxes etc.

The CPI-All Items provides a comprehensive overview of the prices of consumer goods and services. Nevertheless, useful information can also be revealed by complementary CPI series derived by excluding specific items in the All Items basket. For example, two other CPI series reported on a monthly basis are the CPI less imputed rentals on owner-occupied accommodation and the MAS Core Inflation.

### **MAS Core Inflation**

The Monetary Authority of Singapore (MAS) monitors a core inflation measure that excludes the components of “Accommodation” and “Private Transport”. These items are excluded as they tend to be significantly influenced by supply-side administrative policies and are volatile. Core inflation is meant to capture the generalised and persistent price changes that are driven by underlying demand conditions. It thus provides useful information for monetary policy which has the objective of ensuring price stability in the medium term.

### **CPI less imputed rentals on owner-occupied accommodation**

Accommodation, one of the groups in the Housing & Utilities expenditure division, comprises “rented and owner-occupied accommodation”, as well as “housing maintenance & repairs”.

A significant share of the Accommodation group is “owner-occupied accommodation (OOA)” cost, which reflects the costs to homeowners of utilising the flow of services provided by their homes over an extended period of time. Given that the cost of using housing services is not directly observed for homeowners, it is computed based on the imputed rental concept under the rental equivalence method, i.e., proxied by market rentals. As for the CPI for “housing maintenance & repairs”, it takes into account the rebates for service & conservancy charges (S&CC) disbursed to households living in HDB flats in the applicable months.

Imputed rentals have no impact on the cash expenditures of most households in Singapore as they already own their homes, while the inclusion of S&CC rebates results in some volatility in the monthly CPI. As such, the CPI for “All Items less accommodation” and “All Items less

imputed rentals on owner-occupied accommodation” are compiled and published as additional indicators. For “All Items less imputed rentals on owner-occupied accommodation”, actual rentals paid on rented units are still included in the measure.

### **CPI Statistics**

*Detailed CPI statistics can be found in the Department of Statistics’ release titled “Singapore Consumer Price Index for April 2024”. This release also contains further information on the various price indicators published.*

<https://www.singstat.gov.sg/whats-new/latest-news/cpi-highlights>

### **MAS Core Inflation**

*A detailed review of MAS Core Inflation can be found in “A Review of the Core Inflation Measure for Singapore”.*

<https://www.mas.gov.sg/->

[/media/MAS/resource/publications/staff\\_papers/StaffPaperNo51.pdf](https://www.mas.gov.sg/media/MAS/resource/publications/staff_papers/StaffPaperNo51.pdf)

**Table A.1**  
**Consumer Price Index of Key Categories**  
Index (2019=100)

|                 | All Items     | MAS Core     | CPI Less Accommodation | CPI Less OOA | Food         | Services     | Retail & Other Goods | Electricity & Gas | Private Transport | Accommodation |
|-----------------|---------------|--------------|------------------------|--------------|--------------|--------------|----------------------|-------------------|-------------------|---------------|
| <b>Weights</b>  | <b>10,000</b> | <b>6,582</b> | <b>7,803</b>           | <b>8,250</b> | <b>2,110</b> | <b>3,173</b> | <b>1,111</b>         | <b>188</b>        | <b>1,221</b>      | <b>2,197</b>  |
| <b>2023 Apr</b> | 112.669       | 108.856      | 114.019                | 113.058      | 114.636      | 107.085      | 102.214              | 113.105           | 141.854           | 107.873       |
| <b>May</b>      | 113.034       | 108.957      | 113.615                | 113.422      | 115.061      | 107.072      | 101.918              | 113.890           | 138.723           | 110.971       |
| <b>Jun</b>      | 113.576       | 109.163      | 114.219                | 114.002      | 115.101      | 107.513      | 101.811              | 113.784           | 141.475           | 111.293       |
| <b>Jul</b>      | 113.309       | 109.383      | 114.202                | 113.562      | 115.293      | 107.744      | 101.976              | 114.494           | 140.174           | 110.139       |
| <b>Aug</b>      | 114.303       | 109.465      | 114.845                | 114.685      | 115.479      | 107.829      | 101.874              | 114.415           | 143.849           | 112.378       |
| <b>Sep</b>      | 114.880       | 109.602      | 115.495                | 115.312      | 115.649      | 108.146      | 101.423              | 114.664           | 147.267           | 112.694       |
| <b>Oct</b>      | 115.111       | 110.033      | 116.226                | 115.521      | 115.855      | 108.610      | 101.832              | 117.147           | 149.612           | 111.151       |
| <b>Nov</b>      | 114.910       | 110.154      | 115.369                | 115.223      | 116.248      | 108.809      | 101.242              | 117.157           | 143.478           | 113.281       |
| <b>Dec</b>      | 115.343       | 110.866      | 115.844                | 115.684      | 116.340      | 110.241      | 101.191              | 117.168           | 142.681           | 113.562       |
| <b>2024 Jan</b> | 114.572       | 111.531      | 115.728                | 114.686      | 117.532      | 110.226      | 102.236              | 121.122           | 138.351           | 110.467       |
| <b>Feb</b>      | 115.772       | 112.086      | 116.232                | 116.091      | 118.136      | 110.746      | 102.857              | 121.371           | 138.576           | 114.140       |
| <b>Mar</b>      | 115.662       | 111.821      | 116.025                | 115.904      | 117.639      | 110.610      | 102.535              | 121.853           | 138.687           | 114.373       |
| <b>Apr</b>      | 115.764       | 112.219      | 116.916                | 115.976      | 117.839      | 110.855      | 103.827              | 121.752           | 142.238           | 111.671       |

Note: For more information on the CPI items in the “Services” and “Retail & Other Goods” categories in this report, please refer to “MAS Core Inflation and Notes to Selected CPI Categories”. <https://www.mas.gov.sg/statistics>



**Table A.2**  
**YOY Inflation for Key CPI Categories**

|                 | All Items     | MAS Core     | CPI Less Accommodation | CPI Less OOA | Food         | Services     | Retail & Other Goods | Electricity & Gas | Private Transport | Accommodation |
|-----------------|---------------|--------------|------------------------|--------------|--------------|--------------|----------------------|-------------------|-------------------|---------------|
| <b>Weights</b>  | <b>10,000</b> | <b>6,582</b> | <b>7,803</b>           | <b>8,250</b> | <b>2,110</b> | <b>3,173</b> | <b>1,111</b>         | <b>188</b>        | <b>1,221</b>      | <b>2,197</b>  |
| <b>2023 Apr</b> | 5.7           | 5.0          | 6.0                    | 5.9          | 7.1          | 4.3          | 2.9                  | 2.7               | 10.4              | 4.9           |
| <b>May</b>      | 5.1           | 4.7          | 5.2                    | 5.1          | 6.8          | 3.9          | 2.8                  | 3.3               | 7.2               | 4.7           |
| <b>Jun</b>      | 4.5           | 4.2          | 4.5                    | 4.5          | 5.9          | 3.6          | 2.7                  | 3.1               | 5.8               | 4.5           |
| <b>Jul</b>      | 4.1           | 3.8          | 4.0                    | 4.0          | 5.3          | 3.6          | 2.6                  | -1.6              | 4.8               | 4.6           |
| <b>Aug</b>      | 4.0           | 3.4          | 3.9                    | 3.9          | 4.8          | 3.1          | 2.0                  | -1.4              | 6.3               | 4.4           |
| <b>Sep</b>      | 4.1           | 3.0          | 4.1                    | 4.1          | 4.3          | 3.1          | 0.9                  | -1.4              | 8.5               | 4.3           |
| <b>Oct</b>      | 4.7           | 3.3          | 4.9                    | 4.9          | 4.1          | 3.4          | 1.6                  | 1.8               | 11.7              | 4.2           |
| <b>Nov</b>      | 3.6           | 3.2          | 3.4                    | 3.4          | 4.0          | 3.5          | 1.0                  | 1.5               | 4.2               | 4.1           |
| <b>Dec</b>      | 3.7           | 3.3          | 3.6                    | 3.7          | 3.7          | 3.9          | 1.1                  | 1.3               | 5.0               | 4.1           |
| <b>2024 Jan</b> | 2.9           | 3.1          | 3.0                    | 2.6          | 3.3          | 3.3          | 1.4                  | 5.3               | 2.9               | 2.1           |
| <b>Feb</b>      | 3.4           | 3.6          | 3.2                    | 3.2          | 3.8          | 4.2          | 1.2                  | 5.2               | 1.4               | 3.9           |
| <b>Mar</b>      | 2.7           | 3.1          | 2.5                    | 2.5          | 3.0          | 3.9          | 0.7                  | 4.8               | -0.3              | 3.7           |
| <b>Apr</b>      | 2.7           | 3.1          | 2.5                    | 2.6          | 2.8          | 3.5          | 1.6                  | 7.6               | 0.3               | 3.5           |