

Consumer Price Developments in November 2024

Summary

- MAS Core Inflation eased to **1.9%** on a year-on-year (y-o-y) basis in November, from **2.1%** in October.
 - This was due to a moderation in food and services inflation.
 - On a month-on-month (m-o-m) basis, core CPI was unchanged (i.e., **0.0%**).
- CPI-All Items inflation increased to **1.6%** y-o-y in November, from **1.4%** in October.
 - This was driven by a more gradual decline in private transport costs, which outweighed the fall in core inflation.
 - On a m-o-m basis, CPI-All Items was unchanged (i.e., **0.0%**).

Chart 1: MAS Core and CPI-All Items Inflation

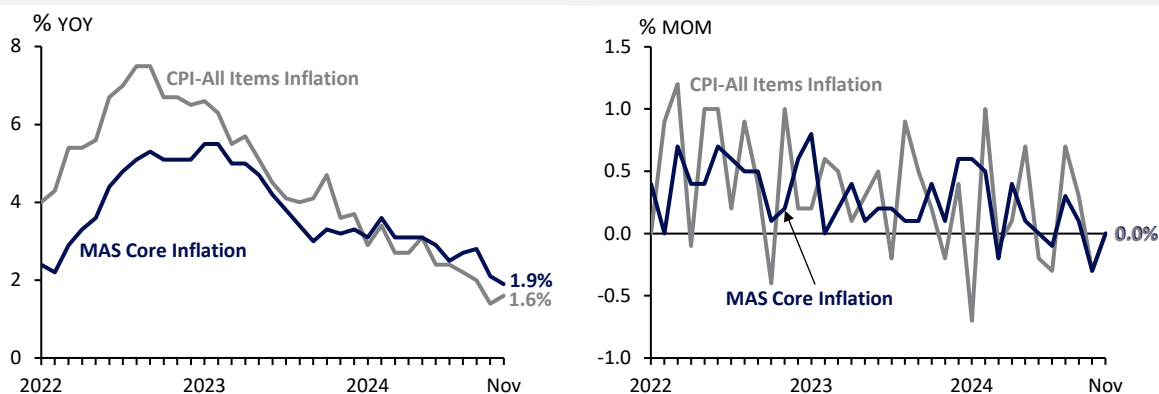
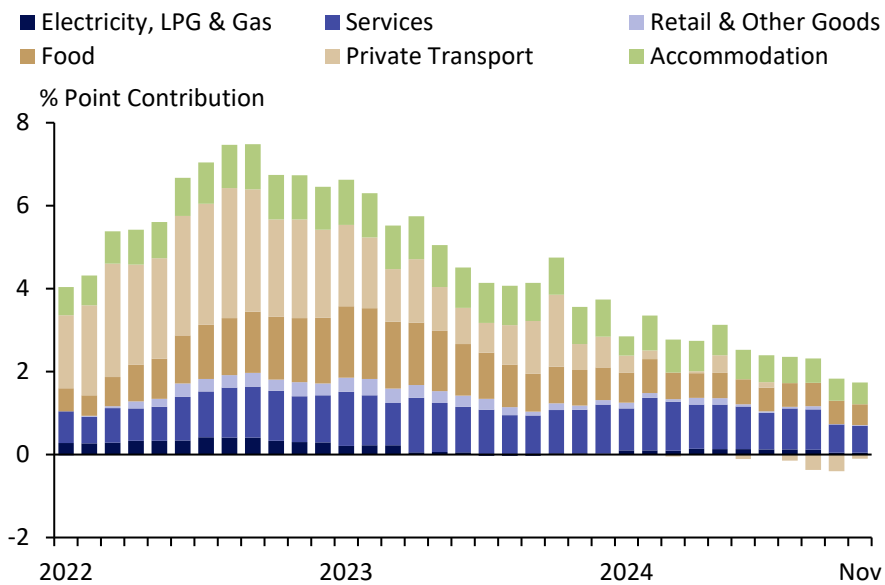


Chart 2: % Point Contribution to Year-on-year CPI-All Items Inflation

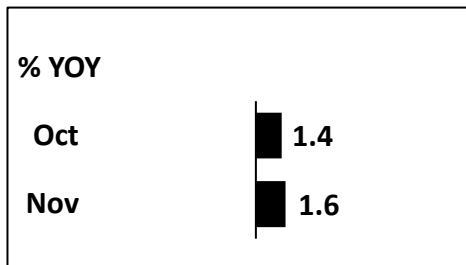


* Private transport and accommodation are excluded from the MAS Core Inflation measure.

Source: MAS, MTI estimates

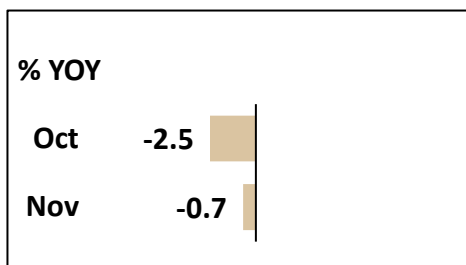
CPI-All Items inflation rose to 1.6% y-o-y in November.

CPI-All Items



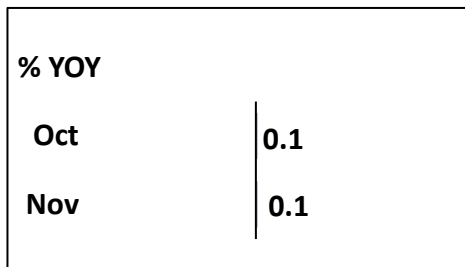
CPI-All Items inflation rose on account of a more gradual decline in private transport costs.

Private Transport



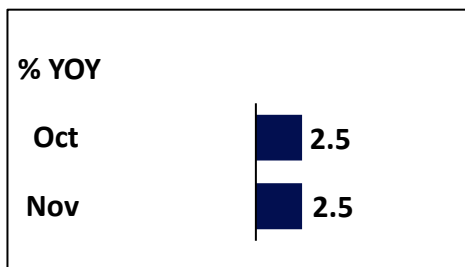
Private transport costs fell at a slower pace due to a smaller decrease in car prices.

Retail & Other Goods



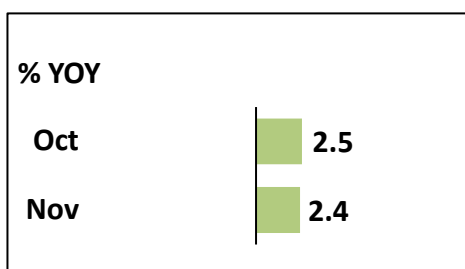
Retail & other goods inflation was unchanged as a smaller decrease in the prices of clothing & footwear was offset by a steeper decline in the prices of personal effects.

Electricity & Gas



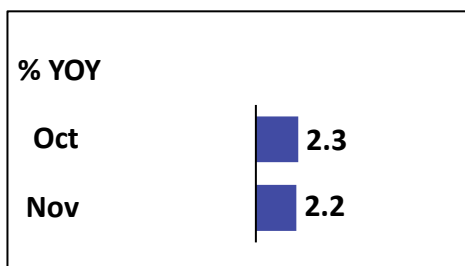
Electricity & gas inflation remained the same as the price of electricity rose at a similar pace in October and November.

Accommodation



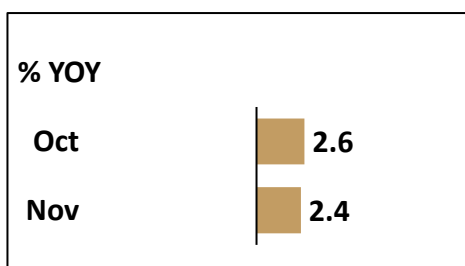
Accommodation inflation edged down on account of a smaller increase in housing rents.

Services



Services inflation slowed due to a smaller increase in holiday expenses and a steeper decline in telecommunication services fees.

Food



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

Outlook

Global energy prices have been relatively stable in recent weeks, remaining below the levels a year ago on average. Meanwhile, in tandem with easing global inflation and the gradually strengthening trade-weighted S\$ exchange rate, prices of Singapore's imported manufactured goods have also continued to be on a broad decline. On the domestic front, unit labour costs are projected to rise more gradually alongside moderating nominal wage growth and improving productivity. Correspondingly, services inflation, which has been on an easing trend, should slow further over the rest of 2024.

MAS Core Inflation is expected to remain below 2% (including the one-off effects of the GST) through to end-2024. Core inflation is projected to average 2.5–3.0% in 2024 as a whole, before stepping down further to 1.5–2.5% in 2025.

CPI-All Items inflation is expected to come in at around 2.5% for the whole of 2024 and average 1.5–2.5% in 2025. An anticipated pickup in private transport inflation amid the firm demand for cars should be more than offset by lower accommodation and core inflation next year.

Overall, risks to the inflation outlook for 2025 are relatively balanced. Domestically, stronger-than-expected labour market conditions could lead to a slower easing in unit labour cost growth. An intensification of geopolitical tensions may lead to higher commodity prices and add to imported costs. Conversely, a significant downturn in the global economy could induce a greater easing of cost and price pressures, causing domestic inflation to come in lower than expected.

MONETARY AUTHORITY OF SINGAPORE

MINISTRY OF TRADE AND INDUSTRY

23 December 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 November 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
Weights	10,000	6,582	7,803	8,250	2,110	3,173	1,111	188	1,221	2,197
2023 Nov	114.910	110.154	115.369	115.223	116.248	108.809	101.242	117.157	143.478	113.281
Dec	115.343	110.866	115.844	115.684	116.340	110.241	101.191	117.168	142.681	113.562
2024 Jan	114.572	111.531	115.728	114.686	117.532	110.226	102.236	121.122	138.351	110.467
Feb	115.772	112.086	116.232	116.091	118.136	110.746	102.857	121.371	138.576	114.140
Mar	115.662	111.821	116.025	115.904	117.639	110.610	102.535	121.853	138.687	114.373
Apr	115.764	112.219	116.916	115.976	117.839	110.855	103.827	121.752	142.238	111.671
May	116.574	112.340	117.081	116.918	118.332	110.913	103.437	121.756	142.640	114.773
Jun	116.323	112.299	116.711	116.573	118.361	111.190	102.366	121.686	140.493	114.946
Jul	116.028	112.162	116.736	116.166	118.368	110.897	102.315	122.007	141.392	113.515
Aug	116.829	112.457	117.153	117.101	118.553	111.391	102.321	121.944	142.466	115.679
Sep	117.123	112.620	117.498	117.430	118.693	111.677	102.213	121.900	143.790	115.792
Oct	116.756	112.299	117.548	116.960	118.897	111.063	101.974	120.089	145.848	113.942
Nov	116.792	112.274	117.009	116.985	118.981	111.164	101.386	120.056	142.530	116.023

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
Weights	10,000	6,582	7,803	8,250	2,110	3,173	1,111	188	1,221	2,197
2023 Nov	3.6	3.2	3.4	3.4	4.0	3.5	1.0	1.5	4.2	4.1
Dec	3.7	3.3	3.6	3.7	3.7	3.9	1.1	1.3	5.0	4.1
2024 Jan	2.9	3.1	3.0	2.6	3.3	3.3	1.4	5.3	2.9	2.1
Feb	3.4	3.6	3.2	3.2	3.8	4.2	1.2	5.2	1.4	3.9
Mar	2.7	3.1	2.5	2.5	3.0	3.9	0.7	4.8	-0.3	3.7
Apr	2.7	3.1	2.5	2.6	2.8	3.5	1.6	7.6	0.3	3.5
May	3.1	3.1	3.1	3.1	2.8	3.6	1.5	6.9	2.8	3.4
Jun	2.4	2.9	2.2	2.3	2.8	3.4	0.5	6.9	-0.7	3.3
Jul	2.4	2.5	2.2	2.3	2.7	2.9	0.3	6.6	0.9	3.1
Aug	2.2	2.7	2.0	2.1	2.7	3.3	0.4	6.6	-1.0	2.9
Sep	2.0	2.8	1.7	1.8	2.6	3.3	0.8	6.3	-2.4	2.7
Oct	1.4	2.1	1.1	1.2	2.6	2.3	0.1	2.5	-2.5	2.5
Nov	1.6	1.9	1.4	1.5	2.4	2.2	0.1	2.5	-0.7	2.4