



PRESS RELEASE

SINGAPORE CONSUMER PRICE INDEX FOR HOUSEHOLDS IN DIFFERENT INCOME GROUPS

Consumer Price Index, January – June 2017

In the first half of 2017, the Consumer Price Index (CPI)-All Items for general households rose by 0.7 per cent on a year-on-year basis, reversing the 0.2 per cent decline in the second half of 2016. Excluding imputed rentals on owner-occupied accommodation (OOA)^[1], the CPI rose by 1.9 per cent in the first half of 2017, higher than the 0.7 per cent increase in the second half of 2016.

By household income groups, the CPI-All Items for the lowest 20% income group fell marginally by 0.1 per cent on a year-on-year basis in the first half of 2017. On the other hand, the CPI-All Items for the middle 60% and highest 20% income groups increased by 0.6 per cent and 1.0 per cent respectively over the same period. Excluding imputed rentals on OOA, the CPI for both the lowest 20% and middle 60% income groups increased by 1.8 per cent, while that for the highest 20% income group rose by 2.0 per cent.

During the first half of 2017, all three income groups experienced higher prices of food and petrol, as well as tuition & other fees. Healthcare services cost, road tax, electricity tariffs and parking fees also increased on a year-on-year basis. However, accommodation costs as well as bus and train fares fell for all three income groups.

Of the three income groups, only the lowest 20% income group saw a sustained fall in its CPI-All Items in the first half of 2017, an extension of the decline seen since the first half of 2015. This primarily reflected lower accommodation costs, which had a more significant impact on the CPI of the lowest 20% income group as accommodation costs accounted for a higher share of its total expenditure. On the other hand, the CPI-All Items

^[1] The OOA cost in the CPI comprises rentals that are imputed for owner-occupied homes. Given that imputed rentals on OOA have no impact on the cash expenditure of households, an additional indicator of inflation, "CPI All Items less imputed rentals on owner-occupied accommodation" is compiled.

for the middle 60% and highest 20% income groups increased for the first time since the second half of 2014. The CPI-All Items for the highest 20% income group rose by more than that for the middle 60% income group because of two main factors. First, it saw a larger increase in car prices and also had a higher expenditure share on cars. Second, it experienced a smaller decline in accommodation costs, which along with its lower expenditure share on accommodation, meant that there was a smaller dampening effect on its CPI compared to the middle 60% income group.

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	Communi- cation	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>2017 Jan – Jun</u>												
General Households	0.7	1.4	0.2	-2.7	1.1	2.7	3.6	0.3	0.2	3.4	0.0	1.9
Lowest 20%	-0.1	1.5	0.5	-2.7	1.0	3.5	1.9	0.3	-0.1	3.3	-0.1	1.8
Middle 60%	0.6	1.5	0.2	-2.7	1.0	2.8	3.4	0.3	0.1	3.3	-0.2	1.8
Highest 20%	1.0	1.4	0.3	-2.5	1.4	2.2	4.0	0.3	0.4	3.6	0.3	2.0
<u>2016 Jul - Dec</u>												
General Households	-0.2	2.0	-0.9	-4.0	2.9	1.3	-0.7	0.1	1.0	3.3	0.1	0.7
Lowest 20%	-0.8	2.1	-0.8	-4.0	2.8	0.1	-0.8	0.0	1.5	3.1	0.2	0.6
Middle 60%	-0.3	2.0	-0.9	-4.2	2.7	1.3	-1.0	0.1	0.9	3.3	0.0	0.7
Highest 20%	0.0	2.0	-0.8	-3.8	3.1	1.5	-0.5	0.2	1.1	3.4	0.2	0.8
<u>2016</u>												
General Households	-0.5	2.1	0.2	-4.1	1.8	1.1	-2.4	-0.4	0.9	3.1	0.3	0.3
Lowest 20%	-1.1	2.0	0.3	-4.1	1.7	-0.7	-1.3	-0.5	1.5	2.4	0.2	0.2
Middle 60%	-0.5	2.0	0.2	-4.2	1.7	1.0	-2.0	-0.4	0.9	3.0	0.2	0.4
Highest 20%	-0.5	2.1	0.3	-3.8	1.9	1.5	-2.9	-0.3	0.9	3.1	0.4	0.1
<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	0.0	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

* This takes into account Government subsidies and support for MediShield Life premiums, including the progressive phasing down of the Transitional Subsidies over the first four years of MediShield Life.