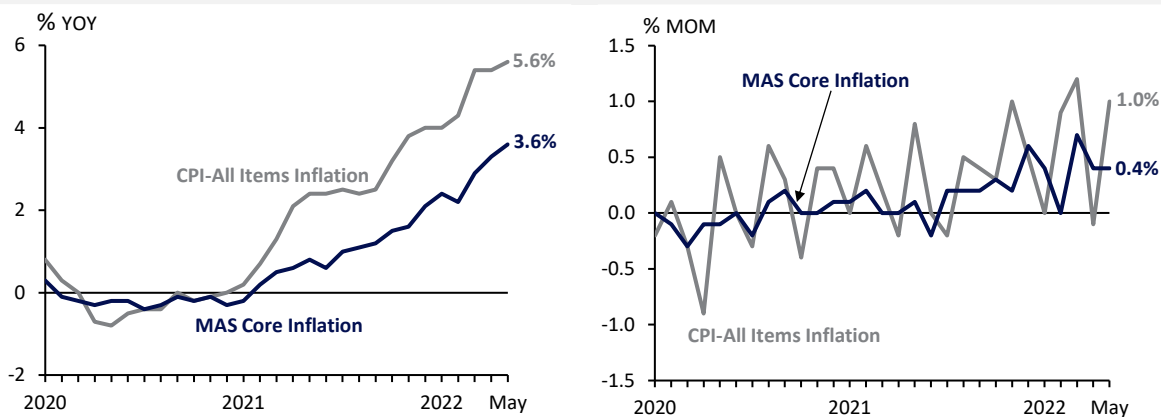


## Consumer Price Developments in May 2022

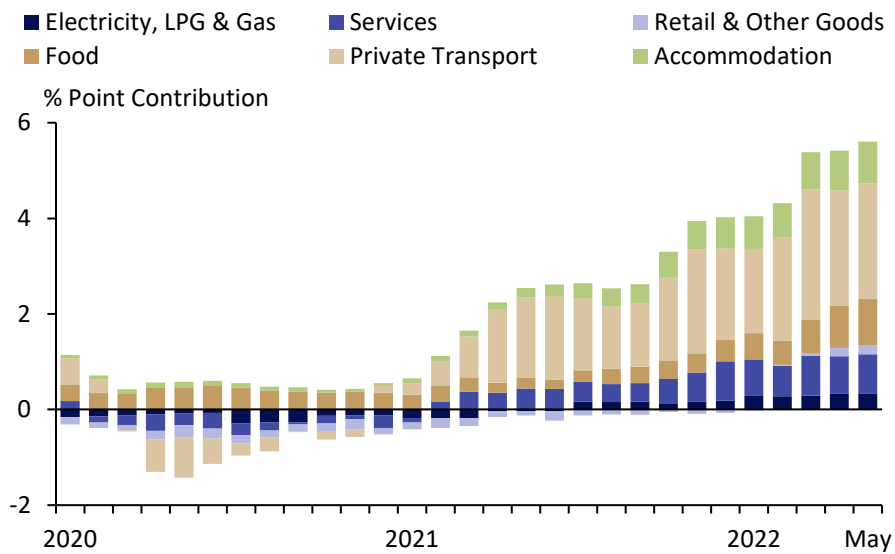
### Summary

- MAS Core Inflation picked up to **3.6%** on a year-on-year (y-o-y) basis in May 2022, from **3.3%** in April.
  - The increase reflected stronger inflation across the broad categories of food, services, retail & other goods, as well as electricity & gas.
- CPI-All Items inflation rose to **5.6%** y-o-y in May, from **5.4%** in April.
  - The pickup in headline inflation was due to the rise in core inflation, as well as higher accommodation and private transport inflation.
- On a month-on-month (m-o-m) basis, core CPI and CPI-All Items increased by **0.4%** and **1.0%** respectively.

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



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

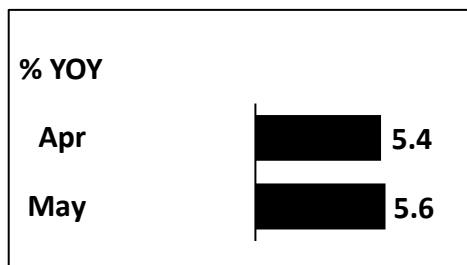


\* Private transport and accommodation are excluded from the MAS Core Inflation measure.

Source: MAS, MTI estimates

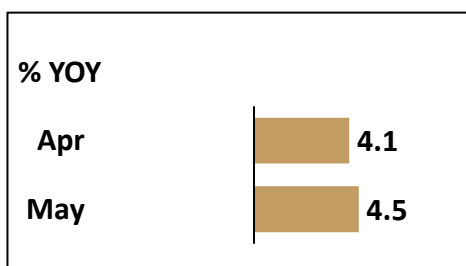
**CPI-All Items inflation rose to 5.6% y-o-y in May.**

**CPI-All Items**



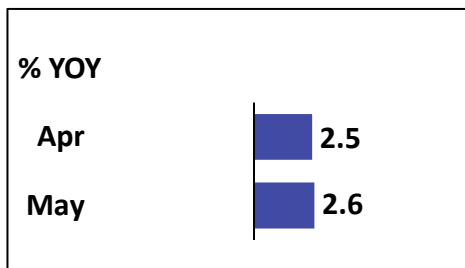
CPI-All Items inflation increased, mainly on account of higher inflation for food, services and accommodation.

**Food**



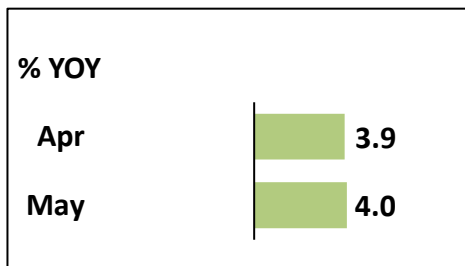
Food inflation picked up as the price of food services rose more strongly.

### Services



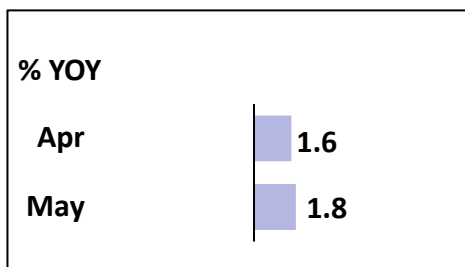
Services inflation increased slightly due to a faster pace of increase in the costs of holiday expenses<sup>1</sup> and point-to-point transport services.

### Accommodation



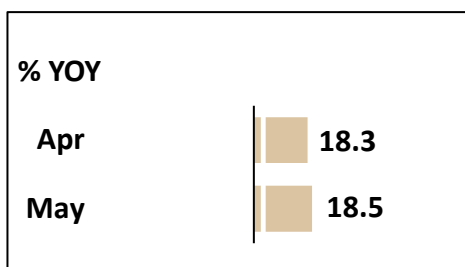
Accommodation inflation edged up on the back of a larger increase in housing rents.

### Retail & Other Goods



Retail & other goods inflation came in higher because of a steeper increase in the prices of clothing & footwear, personal effects and personal care products.

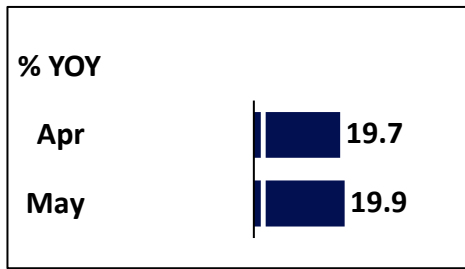
### Private Transport



Private transport inflation rose as petrol costs picked up more strongly amid higher global oil prices.

<sup>1</sup> A portion of the holiday expenses CPI remained imputed in May as travel restrictions were still in place in some countries. For more details, please refer to the Technical Note in the Department of Statistics' release titled "Singapore Consumer Price Index for May 2022".

## Electricity & Gas



Electricity & gas inflation edged up as the average prices of electricity plans offered by Open Electricity Market (OEM) retailers rose at a faster pace.

## Outlook

External inflationary pressures continue to be strong amid elevated global commodity prices, and supply chain frictions driven by the Russia-Ukraine conflict and the regional pandemic situation. In the near term, heightened geopolitical risks and tight supply conditions will keep crude oil prices elevated. Prices of other commodities, such as food, are also expected to stay high amid supply-demand mismatches, as well as disruptions to global transportation and regional supply chains.

On the domestic front, the labour market is expected to remain tight, which will support a firm pace of wage increases. Alongside improving demand, a greater pass-through of accumulating business costs to consumer prices is likely to occur, thus keeping core inflation significantly above its historical average through the year.

MAS Core Inflation is forecast to pick up further in the coming months, before moderating towards the end of the year as some of the external inflationary pressures recede. However, there remain upside risks to inflation from geopolitical and pandemic-related shocks. With private transport and accommodation inflation expected to stay firm in the near term, headline inflation will pick up by more than core inflation this year. For the year as a whole, CPI-All Items inflation is forecast to come in between 4.5–5.5%, while MAS Core Inflation is projected to average 2.5–3.5%.

MONETARY AUTHORITY OF SINGAPORE

MINISTRY OF TRADE AND INDUSTRY

23 June 2022

## **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 category of the CPI, 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 is meant to reflect the costs to homeowners of utilising the flow of services provided by their homes over an extended period of time. As the cost of using housing services is not directly observed for homeowners, it is proxied by market rentals.

Changes in the CPI imputed rentals on OOA, however, have no direct impact on the monthly cash expenditure of most households in Singapore as they already own their homes. Hence, the CPI less imputed rentals on OOA is compiled as an additional indicator to track households’ actual expenditures. Actual rentals paid on rented homes are still included in this measure.

**CPI Statistics**

*Detailed CPI statistics can be found in the Department of Statistics' release titled "Singapore Consumer Price Index for May 2022". 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>2021 May</b> | 101.883       | 100.508      | 101.861                | 101.962      | 103.026      | 100.435      | 97.372               | 92.002            | 109.159           | 101.960       |
| <b>Jun</b>      | 101.870       | 100.314      | 101.777                | 101.889      | 103.104      | 100.407      | 96.176               | 91.921            | 109.661           | 102.201       |
| <b>Jul</b>      | 101.672       | 100.542      | 101.940                | 101.577      | 103.246      | 100.476      | 96.723               | 93.865            | 109.477           | 100.721       |
| <b>Aug</b>      | 102.231       | 100.784      | 102.071                | 102.190      | 103.509      | 100.674      | 97.113               | 93.726            | 109.006           | 102.801       |
| <b>Sep</b>      | 102.657       | 101.012      | 102.566                | 102.663      | 103.725      | 100.886      | 97.433               | 93.844            | 110.944           | 102.979       |
| <b>Oct</b>      | 102.950       | 101.296      | 103.310                | 102.927      | 103.874      | 101.102      | 97.745               | 96.638            | 114.168           | 101.670       |
| <b>Nov</b>      | 103.959       | 101.516      | 104.021                | 104.079      | 104.147      | 101.505      | 97.011               | 98.834            | 117.520           | 103.740       |
| <b>Dec</b>      | 104.439       | 102.084      | 104.529                | 104.569      | 104.373      | 102.368      | 97.392               | 99.326            | 117.712           | 104.119       |
| <b>2022 Jan</b> | 104.472       | 102.516      | 104.897                | 104.515      | 105.197      | 102.384      | 97.678               | 103.199           | 117.734           | 102.963       |
| <b>Feb</b>      | 105.379       | 102.520      | 105.547                | 105.552      | 105.299      | 102.255      | 97.951               | 102.832           | 121.861           | 104.783       |
| <b>Mar</b>      | 106.691       | 103.240      | 107.117                | 107.048      | 106.057      | 102.973      | 98.588               | 103.615           | 128.017           | 105.178       |
| <b>Apr</b>      | 106.547       | 103.704      | 107.580                | 106.760      | 107.028      | 102.655      | 99.308               | 110.097           | 128.473           | 102.879       |
| <b>May</b>      | 107.598       | 104.087      | 108.039                | 107.943      | 107.685      | 103.052      | 99.164               | 110.273           | 129.347           | 106.030       |

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>2021 May</b> | 2.4           | 0.8          | 2.9                    | 2.7          | 1.0          | 1.4          | -0.8                 | -1.9              | 14.5              | 0.9           |
| <b>Jun</b>      | 2.4           | 0.6          | 2.8                    | 2.6          | 0.9          | 1.4          | -1.8                 | -1.8              | 14.9              | 1.1           |
| <b>Jul</b>      | 2.5           | 1.0          | 2.8                    | 2.7          | 1.1          | 1.3          | -1.2                 | 9.9               | 12.6              | 1.4           |
| <b>Aug</b>      | 2.4           | 1.1          | 2.6                    | 2.5          | 1.5          | 1.2          | -1.0                 | 9.7               | 10.8              | 1.7           |
| <b>Sep</b>      | 2.5           | 1.2          | 2.7                    | 2.6          | 1.6          | 1.2          | -1.0                 | 9.9               | 10.8              | 1.9           |
| <b>Oct</b>      | 3.2           | 1.5          | 3.5                    | 3.4          | 1.7          | 1.6          | -0.4                 | 7.8               | 14.3              | 2.5           |
| <b>Nov</b>      | 3.8           | 1.6          | 4.2                    | 4.1          | 1.9          | 1.9          | -0.9                 | 10.0              | 17.9              | 2.7           |
| <b>Dec</b>      | 4.0           | 2.1          | 4.2                    | 4.1          | 2.1          | 2.6          | -0.7                 | 10.7              | 15.5              | 3.0           |
| <b>2022 Jan</b> | 4.0           | 2.4          | 4.3                    | 4.1          | 2.6          | 2.4          | -0.3                 | 17.2              | 14.0              | 3.1           |
| <b>Feb</b>      | 4.3           | 2.2          | 4.6                    | 4.5          | 2.3          | 2.0          | 0.2                  | 16.7              | 17.2              | 3.3           |
| <b>Mar</b>      | 5.4           | 2.9          | 5.9                    | 5.7          | 3.3          | 2.6          | 0.4                  | 17.8              | 21.5              | 3.5           |
| <b>Apr</b>      | 5.4           | 3.3          | 5.8                    | 5.7          | 4.1          | 2.5          | 1.6                  | 19.7              | 18.3              | 3.9           |
| <b>May</b>      | 5.6           | 3.6          | 6.1                    | 5.9          | 4.5          | 2.6          | 1.8                  | 19.9              | 18.5              | 4.0           |