Monetary Authority of Singapore

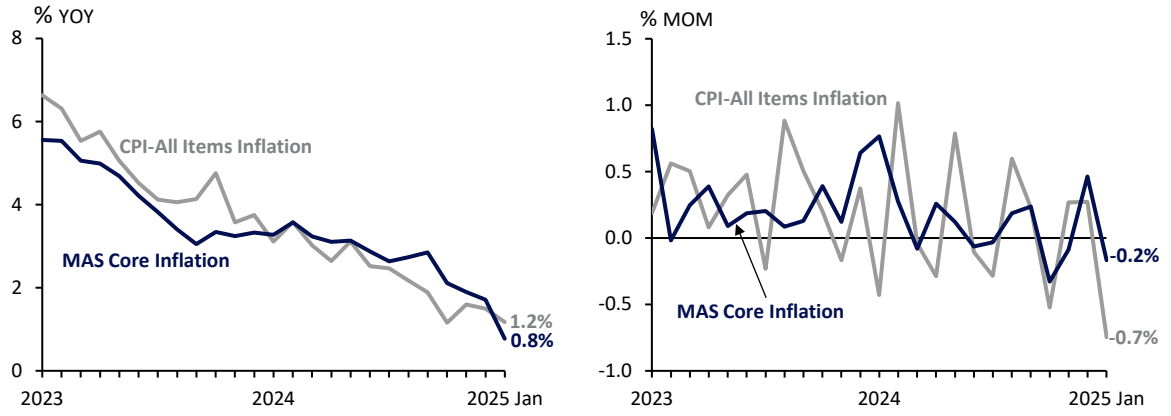
MINISTRY OF TRADE AND INDUSTRY SINGAPORE

Consumer Price Developments in January 2025[1]

Summary

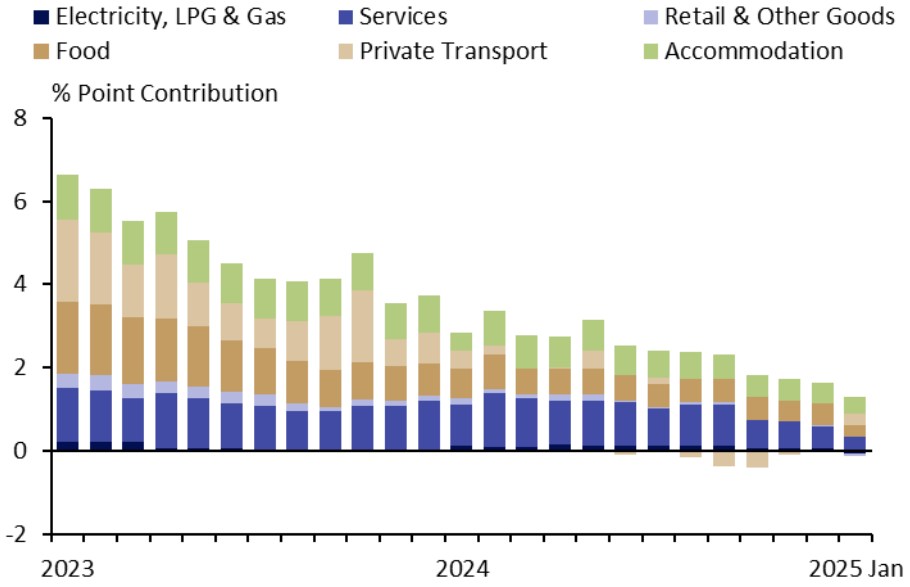
- MAS Core Inflation fell to **0.8%** on a year-on-year (y-o-y) basis in January, from **1.7%** in December.
  - This was driven by lower inflation across all broad core CPI categories.
  - On a month-on-month (m-o-m) basis, core CPI declined by **0.2%.**
- CPI-All Items inflation eased to **1.2%** y-o-y in January, from **1.5%** in December.
  - This reflected a moderation in accommodation inflation, in addition to the fall in core inflation.
  - On a m-o-m basis, CPI-All Items declined by **0.7%**.

Chart 1: MAS Core and CPI-All Items Inflation



[1] The CPI for general households has been rebased from base year of 2019 to 2024. The rebasing exercise is conducted once every five years to reflect the latest consumption patterns and composition of goods and services consumed by resident households. An information paper on "Rebasing of the Consumer Price Index (CPI) (2024 as Base Year)" is available on the SingStat website at https://www.singstat.gov.sg/-/media/files/publications/economy/ip-e61.ashx.

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

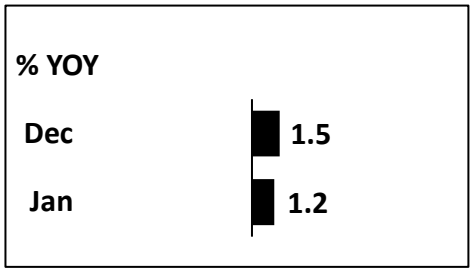


* Private transport and accommodation are excluded from the MAS Core Inflation measure.

Source: MAS, MTI estimates

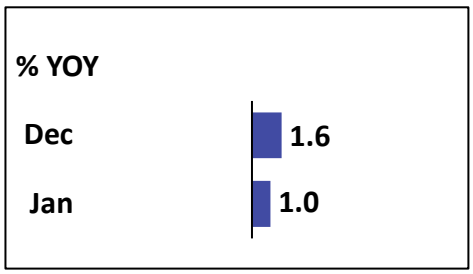
CPI-All Items inflation fell to 1.2% y-o-y in January.

CPI-All Items



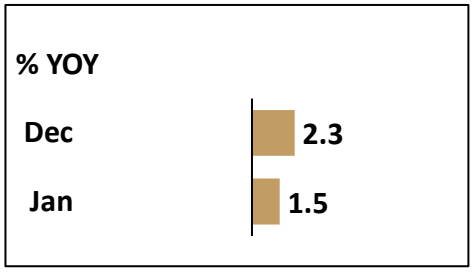
CPI-All Items inflation eased on the back of lower inflation across most major categories of the CPI basket.

Services



Services inflation slowed, largely due to a fall in the costs of general, vocational & higher education, as well as outpatient and inpatient care services.

Food

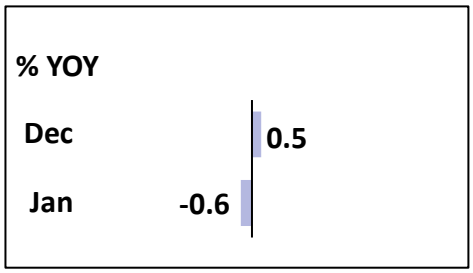


Food inflation moderated as the prices of prepared meals rose at a slower pace.

Accommodation

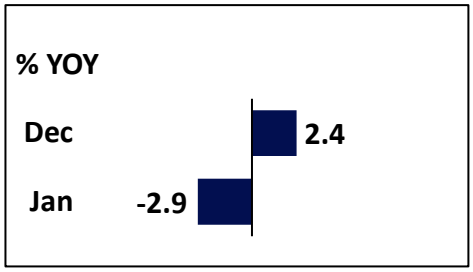
Accommodation inflation eased on account of smaller increases in both housing rents and housing maintenance & repair costs.

Retail & Other Goods



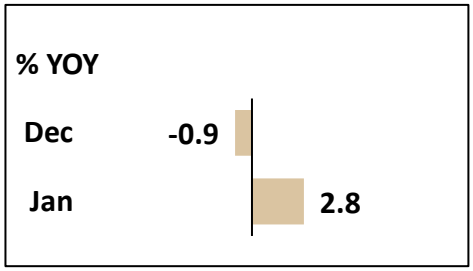
The cost of retail & other goods fell due to a sharper decline in the prices of footwear, alongside a drop in the prices of medical goods and other personal effects.

Electricity & Gas



Electricity & gas prices declined due to lower electricity prices while gas prices rose at a slower pace.

Private Transport



Private transport costs increased due to higher car prices.

Outlook

Singapore's imported inflation is expected to remain moderate, reflecting favourable supply projections in key food commodity markets and forecasts of declines in global oil prices. While an escalation of trade frictions could be inflationary for some economies, their impact on Singapore's import prices is likely to be offset by the disinflationary drags exerted by weaker global demand. The trade-weighted S$ exchange rate policy band remains on a modest and gradual appreciation path, and will continue to temper imported inflation.

On the domestic front, unit labour costs are projected to rise gradually as nominal wage growth eases and productivity increases. At the same time, enhanced government subsidies for essential services such as public healthcare, pre-school education and public transport will continue to dampen services inflation.

Reflecting these factors, MAS Core Inflation is projected to average 1.0–2.0% in 2025. Meanwhile, CPI-All Items inflation is expected to average 1.5–2.5% for the year amid an anticipated pickup in private transport inflation. The outlook for inflation remains subject to uncertainties in the external environment.

MONETARY AUTHORITY OF SINGAPORE

MINISTRY OF TRADE AND INDUSTRY

24 February 2025

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 for Housing 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 for Housing

Accommodation, one of the groups in the Housing & Utilities expenditure division of the CPI, comprises Actual Rentals for Housing, Imputed Rentals for Housing as well as Housing Maintenance & Repairs.

A significant share of the Accommodation group is Imputed Rentals for Housing, 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 of similar properties. This provides an estimated rental value for the owned home, as though the homeowner were renting it from themselves. Housing price is not considered in the CPI as it has a high investment component and is treated as a capital good. 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 Housing and Development Board (HDB) flats in the applicable months.

Imputed rentals have no impact on the cash expenditure 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 CPIs for All Items less Accommodation and All Items less Imputed Rentals for Housing are compiled and published as additional indicators. For the CPI for All Items less Imputed Rentals for Housing, actual rentals paid on rented homes 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 January 2025". 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

Table A.1

Consumer Price Index of Key Categories

Index (2024=100)

	All Items	MAS Core	CPI Less Accommodation	CPI Less Imputed Rentals for Housing	Food	Services	Retail & Other Goods	Electricity & Gas	Private Transport	Accommodation
Weights	**10,000**	**6,438**	**7,344**	**7,862**	**2,042**	**3,173**	**1,025**	**198**	**906**	**2,656**
2024 Jan	98.752	99.501	99.411	98.645	99.422	99.354	100.052	99.788	98.777	96.929
Feb	99.755	99.774	99.687	99.873	99.869	99.522	100.326	99.967	99.074	99.942
Mar	99.712	99.694	99.566	99.766	99.686	99.580	99.950	100.263	98.659	100.116
Apr	99.426	99.950	99.996	99.347	99.643	99.705	101.268	100.202	100.324	97.850
May	100.209	100.070	100.133	100.307	99.855	99.902	100.966	100.333	100.579	100.420
Jun	100.104	100.006	99.946	100.137	99.865	100.169	99.711	100.394	99.513	100.542
Jul	99.818	99.974	100.008	99.720	99.918	99.857	100.309	100.687	100.245	99.294
Aug	100.414	100.160	100.145	100.449	100.025	100.280	99.955	100.683	100.035	101.158
Sep	100.645	100.396	100.437	100.721	100.235	100.679	99.776	100.693	100.734	101.219
Oct	100.119	100.065	100.292	100.022	100.459	99.992	99.704	99.037	101.904	99.641
Nov	100.387	99.976	100.018	100.343	100.472	100.130	98.698	98.994	100.315	101.408
Dec	100.661	100.439	100.365	100.674	100.551	100.832	99.286	98.956	99.842	101.479
2025 Jan	99.908	100.270	100.426	99.713	100.875	100.369	99.422	96.866	101.528	98.477

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 Imputed Rentals for Housing	Food	Services	Retail & Other Goods	Electricity & Gas	Private Transport	Accommodation
Weights	**10,000**	**6,438**	**7,344**	**7,862**	**2,042**	**3,173**	**1,025**	**198**	**906**	**2,656**
2024 Jan	3.1	3.3	3.5	2.9	3.5	3.5	1.7	5.2	4.0	2.4
Feb	3.6	3.6	3.5	3.5	3.9	4.1	1.2	5.2	2.7	4.0
Mar	3.0	3.2	2.8	2.9	3.3	4.0	0.6	4.6	0.5	3.8
Apr	2.6	3.1	2.5	2.4	2.9	3.5	1.6	7.5	0.2	3.7
May	3.1	3.1	3.0	3.1	2.7	3.7	1.6	6.9	2.7	3.4
Jun	2.5	2.9	2.3	2.4	2.7	3.5	0.4	7.0	-0.4	3.2
Jul	2.5	2.6	2.4	2.4	2.6	3.0	0.9	6.7	1.3	3.0
Aug	2.2	2.7	1.9	2.1	2.5	3.3	0.6	6.7	-1.5	2.9
Sep	1.9	2.8	1.6	1.8	2.6	3.4	0.8	6.5	-3.1	2.6
Oct	1.2	2.1	0.8	0.9	2.7	2.3	0.3	2.5	-3.5	2.5
Nov	1.6	1.9	1.3	1.5	2.3	2.2	-0.1	2.5	-1.0	2.3
Dec	1.5	1.7	1.3	1.4	2.3	1.6	0.5	2.4	-0.9	2.1
2025 Jan	1.2	0.8	1.0	1.1	1.5	1.0	-0.6	-2.9	2.8	1.6