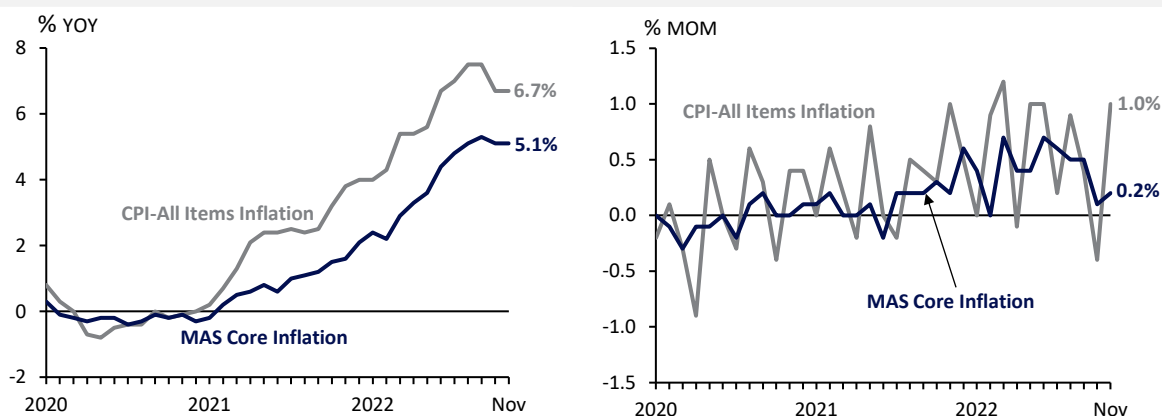


## Consumer Price Developments in November 2022

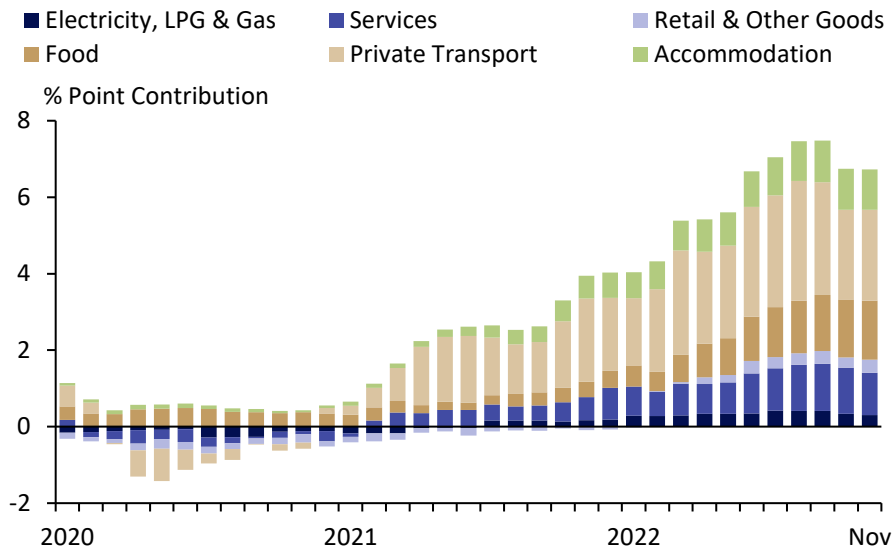
### Summary

- MAS Core Inflation came in at **5.1%** on a year-on-year (y-o-y) basis in November, unchanged from October.
  - This was because smaller increases in the costs of services and electricity & gas were broadly offset by a steeper pickup in the costs of retail & other goods and food.
- CPI-All Items inflation also remained unchanged in November relative to October, at **6.7%** y-o-y.
  - Headline inflation held steady as core inflation was unchanged while private transport and accommodation inflation moderated marginally.
- On a month-on-month (m-o-m) basis, core CPI increased by **0.2%** and CPI-All Items rose by **1.0%**.

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



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

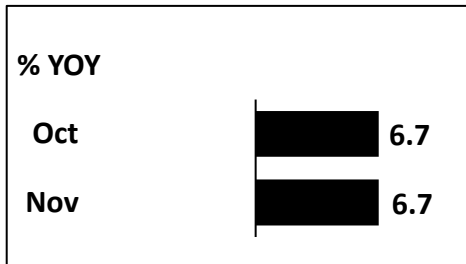


\* Private transport and accommodation are excluded from the MAS Core Inflation measure.

Source: MAS, MTI estimates

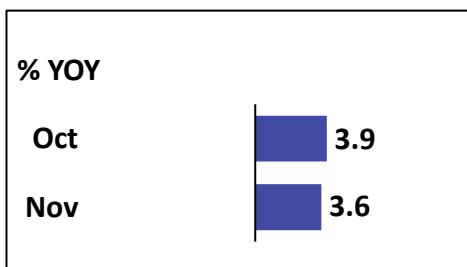
**CPI-All Items inflation was unchanged at 6.7% in November.**

**CPI-All Items**



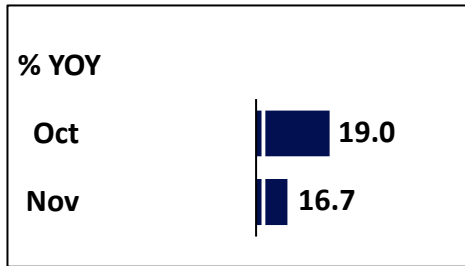
CPI-All Items inflation remained unchanged as lower inflation for services and electricity & gas was broadly offset by higher inflation for retail & other goods and food. At the same time, the decline in private transport and accommodation inflation was marginal.

**Services**



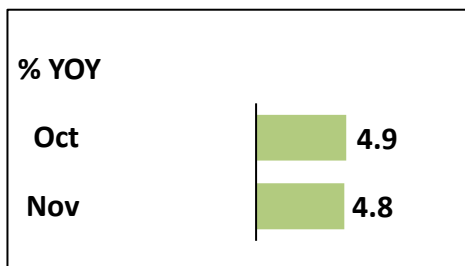
Services inflation eased, mainly on account of a smaller increase in airfares.

### Electricity & Gas



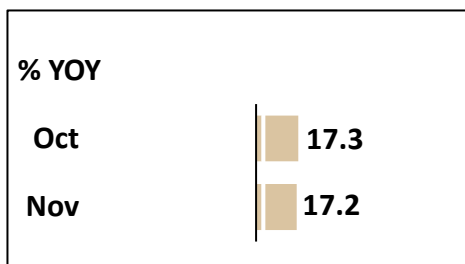
Electricity & gas inflation fell, partly due to the higher base a year ago.<sup>1</sup>

### Accommodation



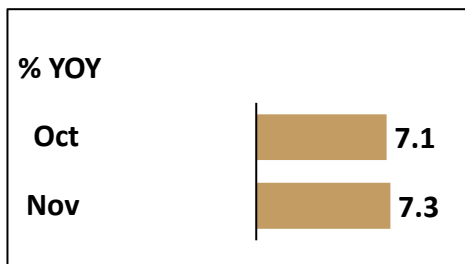
Accommodation inflation edged down as housing rents rose at a more gradual pace.

### Private Transport



Private transport inflation slowed marginally in line with smaller increases in car and petrol prices.

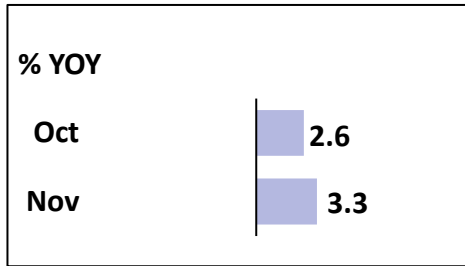
### Food



Food inflation rose on account of higher food services inflation.

<sup>1</sup> In November 2021, some households whose Open Electricity Market (OEM) retailers had exited the market were transferred to SP Group. This contributed to a rise in electricity costs in November 2021 as the regulated tariff charged by SP Group was generally higher than the prices offered by OEM retailers.

### Retail & Other Goods



The cost of retail & other goods picked up more strongly due to steeper increases in the prices of clothing & footwear, personal care products, as well as medicines & health products.

## Outlook

Demand conditions in major economies have softened while supply chain frictions have continued to ease. Prices of energy and food commodities have come off the peaks reached earlier in the year, but remain firm given ongoing supply constraints. In addition, labour markets in major advanced economies are still tight, keeping wage pressures strong. Accordingly, Singapore's imported inflation across a range of goods and services is expected to remain significant for some time.

On the domestic front, unit labour costs are expected to increase further in the near term alongside robust wage growth. At the same time, the cost of utilities is likely to remain elevated. Firms are expected to continue to pass through accumulated import, labour and other business costs to consumer prices amid resilient demand. Meanwhile, car and accommodation cost increases are anticipated to stay firm in the quarters ahead amid tight COE quotas for cars and strong demand for rental housing, respectively.

Against this backdrop, MAS Core Inflation is projected to stay elevated in the next few quarters before slowing more discernibly in H2 2023 as the current tightness in the domestic labour market eases and global inflation moderates.

For 2022 as a whole, CPI-All Items inflation is expected to average around 6.0%, and MAS Core Inflation around 4.0%.

In 2023, taking into account all factors including the GST increase, headline and core inflation are projected to average 5.5–6.5% and 3.5–4.5%, respectively. Excluding the transitory effects of the GST hike, headline and core inflation are expected to come in at 4.5–5.5% and 2.5–3.5%, respectively. There are upside risks to the inflation outlook, including from fresh shocks to global commodity prices and more persistent-than-expected external inflation.

MONETARY AUTHORITY OF SINGAPORE

MINISTRY OF TRADE AND INDUSTRY

23 December 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 November 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/-](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 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
<b>Jun</b>	108.671	104.764	109.287	109.135	108.700	103.775	99.168	110.336	133.670	106.482
<b>Jul</b>	108.836	105.370	109.819	109.205	109.535	104.033	99.414	116.394	133.799	105.345
<b>Aug</b>	109.863	105.891	110.488	110.329	110.164	104.544	99.899	116.090	135.265	107.644
<b>Sep</b>	110.339	106.387	110.976	110.804	110.889	104.872	100.495	116.254	135.717	108.075
<b>Oct</b>	109.893	106.496	110.791	110.170	111.255	105.007	100.265	115.020	133.947	106.702
<b>Nov</b>	110.959	106.719	111.575	111.393	111.759	105.128	100.221	115.380	137.755	108.770

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 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
<b>Jun</b>	6.7	4.4	7.4	7.1	5.4	3.4	3.1	20.0	21.9	4.2
<b>Jul</b>	7.0	4.8	7.7	7.5	6.1	3.5	2.8	24.0	22.2	4.6
<b>Aug</b>	7.5	5.1	8.2	8.0	6.4	3.8	2.9	23.9	24.1	4.7
<b>Sep</b>	7.5	5.3	8.2	7.9	6.9	4.0	3.1	23.9	22.3	4.9
<b>Oct</b>	6.7	5.1	7.2	7.0	7.1	3.9	2.6	19.0	17.3	4.9
<b>Nov</b>	6.7	5.1	7.3	7.0	7.3	3.6	3.3	16.7	17.2	4.8