

Singapore Consumers Expect Inflation To Continue Falling

SINGAPORE, April 22 (Bernama) -- Singapore consumers are expecting inflation to continue to fall amid global declines and uncertainty around the weak global economic outlook.

This is according to the latest findings of the SKBI-MasterCard Singapore Index of Inflation Expectations (SInDEX).

The SInDEX, jointly developed by the Singapore Management University's Sim Kee Boon Institute for Financial Economics (SKBI) and MasterCard, is derived from an online survey of around 400 randomly selected individuals from Singapore households.

The online survey helps researchers understand the behaviour and sentiment of decision makers among Singapore households.

This is the seventh wave of the quarterly survey conducted under the collaboration since the indices were officially launched in January last year.

Dr Aurobindo Ghosh who is Programme Director of SMU SKBI said: "The unprecedented and concerted global expansionary monetary policy and open market operations by central banks in the aftermath of the Global Financial Crisis (GFC), as well as record low interest rates in the United States, Euro zone and more recently Japan, has not caused unhinged inflation expectations in a small open economy like Singapore."

He said one possible reason for this seems to be that imported inflation has moderated.

"Furthermore, the survey respondents seemed to feel that local structural factors like increasing wages from a tight labour market and possibly other pass-through costs, including higher Certificate of Entitlement (COE) premiums, have not significantly increased overall prices," he added.

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