

Singapore consumers see inflation declining: Study



TODAY filephoto

By Lee Yen Nee- 22 April

SINGAPORE – Singapore consumers expect inflation to continue to fall in the year ahead amid a persistently fragile global economic environment, according to a quarterly study by MasterCard and Singapore Management University (SMU).

Expectations for overall inflation in the next 12 months fell for a second consecutive time to 4.12 per cent in March, down from 4.37 per cent in December and the lowest level seen since the inception of the study in September 2011.

“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 COE premiums have not significantly increased the overall prices,” said Dr Aurobindo Ghosh, co-creator of the survey and a programme director at SMU.

The study also showed that inflation expectations over the next five years dipped marginally to 5.2 per cent last month from 5.21 per cent in December.

“Inflation expectation remains high in spite of the slight decline in the latest survey findings,” said MasterCard’s global economic advisor Dr Yuwa Hendrick-Wong.

“While Asia continues to be the best performing region in the global economy to date, global economic conditions are still fragile and unstable, which have direct impacts on a small and open economy like Singapore,” he added.

The study surveyed about 400 consumers.

Singapore is due to release the consumer price index for March on Tuesday.