

**Makan Index 2017:
 An Indicator for the Cost of Eating Out in Singapore**

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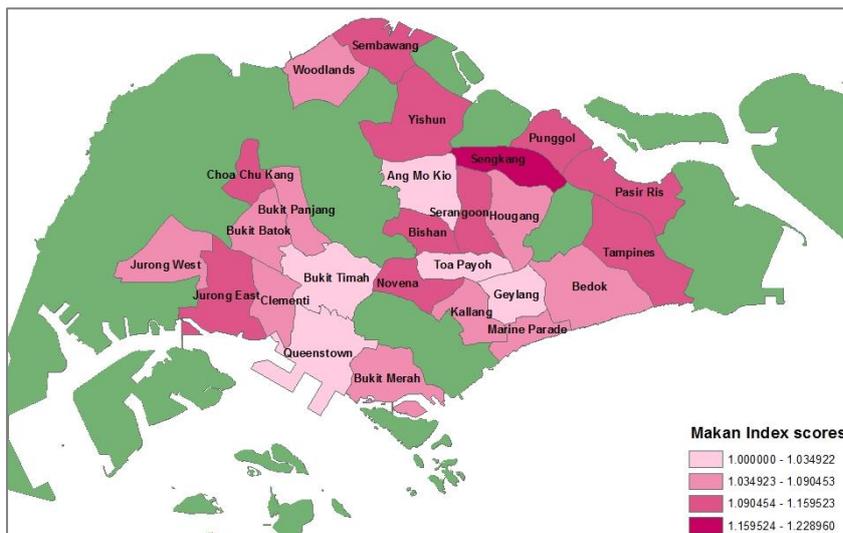
Coffee shops, hawker centres and food courts in mature planning areas tended to have cheaper food prices compared to non-mature planning areas.

THE MAKAN INDEX tracks the cost of eating out in Singapore, specifically, at three types of eating places here: coffee shops, hawker centres and food courts. A survey of food prices, it aims to find out the cost differentials of eating out across planning areas designated by the Urban Redevelopment Authority, and their correlation with key socioeconomic characteristics of each planning area. Fieldwork was conducted in mid-2017 across 26 planning areas in Singapore. The basket of food items surveyed includes: *economic rice* (rice with two servings of vegetables and one meat dish), *mee rebus*, *chicken rice*, *kopi-O* and *iced Milo*.

Price differences across planning areas

Figure 1 maps the spread of Makan Index scores by planning area, with higher scores, denoting higher food prices, being represented by darker shades.

Figure 1: Makan Index scores for all 26 planning areas



Note: Source file retrieved from data.gov.sg

Comparing Makan Index scores across planning areas, Sengkang, Tampines and Sembawang recorded the most expensive food prices while Ang Mo Kio, Queenstown and Bukit Timah had the cheapest prices. Sengkang, which had the highest Makan Index score, registered prices 22.9% higher than Ang Mo Kio.

Further statistical tests revealed that food prices in mature planning areas (e.g., Queenstown and Ang Mo Kio) were cheaper than in non-mature planning areas (e.g., Sengkang and Sembawang). On average, each food item would cost 7.7% more in a non-mature planning area as compared to a mature one.

Correlation with socioeconomic characteristics

The Makan Index was also found to correlate with socioeconomic characteristics associated with social vulnerability. Lower Makan Index scores, denoting lower food prices, were associated with planning areas with higher income disparity, a larger proportion of households staying in rental flats and a higher percentage of residents aged 65 and above.

Conclusion

The Makan Index serves as a useful indicator for the cost of eating out, at the more affordable outlets available to residents. Among the 26 planning areas surveyed, it was found that mature planning areas tended to have cheaper food prices compared to non-mature planning areas. In addition, correlations between the Makan Index and several socioeconomic characteristics in the planning areas indicate that socially vulnerable residents in mature planning areas have access to food that is relatively more affordable.

In other countries (e.g. United States or European countries), reports on geographic differentials in the cost of living can influence decisions on residential relocation¹ and living arrangements, such as rents, wages, commuting costs and amenities.² In this study, we found differences in the cost of eating out across different planning areas in Singapore. The Makan Index may help people who are mindful of their budget to make informed decisions on eating out. The Index may also provide relevant insights for agencies reaching out to the socioeconomically vulnerable residents in different planning areas in Singapore. Finally, the Makan Index offers further opportunities to analyse the cost of eating out in different geographical areas alongside a more diverse set of variables relating to the economic and social well-being of the residents.

¹ Kaplan, S., Grünwald, L., & Hirte, G. (2016). The effect of social networks and norms on the inter-regional migration intentions of knowledge-workers: The case of Saxony, Germany. *Cities*, 55, 61–69.

² Albouy, D., & Lue, B. (2015). Driving to opportunity: Local rents, wages, commuting, and sub-metropolitan quality of life. *Journal of Urban Economics*, 89, 74–92.

The working paper on the Makan Index can be found [here](#).

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