

Study finds eating out cheapest in Toa Payoh, most expensive in Bishan; many stalls didn't raise prices after GST hike

Navene Elangovan

Channel NewsAsia, 13 March 2023

- Researchers from the Institute of Policy Studies visited 829 food establishments across Singapore to gather prices of food and drinks in late 2022
- When they revisited some establishments again in early 2023, they found that many of them had not increased prices
- Stall owners also spoke of hardships of having to manage rising operation costs and not increasing prices by too much for fear of driving customers away
- On average, a person spends S\$16.89 if he eats all three meals at hawker centres, food courts and kopitiam
- Toa Payoh reported the lowest cost of S\$15.98 for an individual, while Bishan featured the highest average three-meal cost of S\$18

SINGAPORE: Despite the rising costs of operating a food stall in hawker centres, food courts and kopitiam, many stall owners did not increase prices between late last year and early this year, a study has found.

Of those who did, the majority increased prices only by a small margin - not exceeding 30 cents for each food item they sold - for fear of driving their customers away. And for most food items surveyed, price increases did not exceed 10 cents on average.

The study by the Institute of Policy Studies (IPS), released on Monday (Mar 13), also found that the drink iced Milo had the highest relative increase in prices, going up by 12 cents, or 7 per cent on average. A total of 23 out of 55 stalls surveyed raised their prices of the drink, whereas the rest did not.

Sliced fish soup with rice went up by 28 cents, or about 5 per cent, and fishball noodles rose by 19 cents, which is also about 5 per cent. Seven out of 19 sliced fish soup sellers surveyed raised prices for the dish, and 11 out of 30 fishball noodle sellers did the same.

The study was done by recording food and drink prices from 829 food establishments between September and November 2022.

After the increase in Goods and Services Tax (GST) in Jan 1 this year, researchers revisited 50 establishments, comprising a total of 263 individual stalls, in January and February this year to record any price changes.

The researchers said that the study served to “examine the effects, if any, of the increase of the GST on food prices”.

The study, titled *The Cost of Eating Out: Findings from the Makan Index 2.0*, was conducted by IPS researchers Teo Kay Key, Hanniel Lim, and Mindy Chong.

The researchers said that the survey was conducted as a way to better understand the costs of living in Singapore and does not provide any value judgement on the pricing strategy of food establishments.

As food and drink prices were collected mainly through menus at stalls, the researchers said that some prices might be understated especially if menu prices were not updated regularly.

Also, the smaller number of establishments revisited was partly because many had later closed down or changed hands, they added.

WHY IT MATTERS

The study comes amid the rising cost of living, with Singapore's core inflation rate rising by 5.5 per cent in January, the fastest pace in more than 14 years.

It also comes shortly after the GST was increased from 7 per cent to 8 per cent on Jan 1.

Around 7.4 per cent of a household's expenditure is spent on the types of food that hawker centres, food courts and coffee shops serve, according to the Household Expenditure Survey in 2017 and 2018. In comparison, only 6.4 per cent of expenses are spent on recreation and culture and 5.5 per cent of expenses are spent on health.

"Given the culture of eating out in Singapore, many Singaporeans are likely to head to one of these food establishments to have their meals if they decide not to prepare their own meal at home," the researchers stated in the executive summary of their report.

"Examining data on food prices in these locations thus allows us to examine trends on price variations based on different factors and derive the estimated eating-out budget of an average Singaporean, which will further (aid) understanding on one aspect of living costs in Singapore."

WHAT THE STUDY FOUND

Researchers studied a variety of food and drink items commonly consumed during breakfast, lunch or dinner. They also took into account dietary restrictions when selecting which food items to consider.

A total of 18 items were included in the study, including kopi-o (black coffee), breakfast sets (kaya toast, two soft-boiled eggs and a coffee or tea), mee rebus, wanton noodles, economy rice (two vegetables and one meat), and economy bee hoon sets (bee hoon with fried egg and chicken wing).

Researchers then collected drink and food prices from the menus of 829 food establishments, comprising 92 hawker centres, 101 food courts and 636 kopitiam within 26 residential neighbourhoods in Singapore.

REGIONAL DIFFERENCES IN FOOD AND DRINK PRICES

Apart from price increases, researchers also found "regional differences" for nine out of 18 food and drinks surveyed.

- All the drinks (kopi-o, kopi, iced Milo, iced lime juice, canned drink with ice) as well as chicken chop were cheapest in the central region of Singapore
- Breakfast sets and fishball noodles were cheapest in the north of Singapore
- Roti prata was cheapest in the western region.

With some exceptions, food courts generally priced their offerings at higher prices, followed by kopitiam and then hawker centres. The food items that did not follow these trends were breakfast sets, chicken rice, economic rice and vegetarian bee hoon sets.

"These trends clearly indicate that while food establishments like hawker centres, food courts, and kopitiam are viewed as more affordable options, there is still variation in the prices of food and drinks sold in these establishments, depending on the content," the researchers said.

TOTAL MEAL COSTS

Across the neighbourhoods studied, researchers found that breakfast on average cost S\$4.81, lunch S\$6.01, dinner S\$6.20. Each meal comprises a food and a drink, and the study derived these costs by aggregating the average of various food and drink combinations based on convention and the opening times of stalls.

On average, a person spends S\$16.89 if he eats all three meals at hawker centres, food courts and kopitiam.

When comparing between neighbourhoods, researchers found that the differences in costs for lunches and dinners to be statistically significant.

Marine Parade had the highest average breakfast cost at S\$5.12, Sembawang reported the highest average lunch cost at S\$6.35 and Jurong East reported the highest average dinner cost at S\$6.71.

In contrast, Queenstown reported the lowest average breakfast cost at S\$4.33, Kallang reported the lowest average lunch cost at S\$5.64 while Toa Payoh reported the lowest average dinner cost at S\$5.89.

When adding up all three meals, Toa Payoh reported the lowest cost of S\$15.98 for an individual, while Bishan featured the highest average meal cost of S\$18.

Bukit Timah was excluded from these comparisons due to the small sample size - the neighbourhood only had three kopitiam and two hawker centres located within its boundaries.