

# Are prices soaring in the Year of the Dragon?

With inflation still elevated in 2024, Chinese New Year (CNY) celebrations may be dampened by climbing costs. BT looks at how the festive basket of goods has been affected.

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## BAK KWA

Bak kwa lovers had better be bringing home the bacon, as the price of this CNY staple rises. Sliced bak kwa cost S\$72 per kg at Bee Cheng Hiang in the week before CNY, up from S\$64 in 2023. It rose to S\$74 in the days before CNY 2024. At Lim Chee Guan, it costs S\$80 per kg, against S\$78 last CNY.

At Fragrance, a kilo goes for S\$66, with prices up an average of 6 per cent across its bak kwa products.

Production costs—labour, rental and raw materials—are up 10 to 15 per cent. Fragrance is mitigating this with sustainable technologies and automation, while encouraging customers to lower their own costs by paying with Community Development Council vouchers.

Peng Guan Bak Kwa has kept its bak kwa price at \$52 per kg to remain competitive—even as costs of production have gone up 15 per cent, driven by labour, ingredients and goods and services tax (GST).

A 50 kg bag of sugar from Thailand now costs S\$12 more, due to shortages, said owner Zhang Ziyue.

## PINEAPPLE TARTS

Inflation has made it pricier to bake these classic CNY confections. Prices of flour, eggs, sugar and butter have risen about 12 to 15 per cent since last year, said a spokesperson from LE Cafe Confectionery & Pastry.

For its signature “golf ball” tarts, the bakery has passed on about 7 to 8 per cent of the cost increase to consumers.

This works out to a dollar more for a bottle of 20 tarts: S\$37 this year, from S\$36 last year.

Another chain, Baker's Brew, has raised the price of a tin of tarts to S\$29.90, up from S\$28.90 last year.

## HAMPERS

Simply Hamper has kept hamper prices unchanged, even as the costs of their contents—such as birds' nest and abalone—have risen 5 to 10 per cent.

This was possible due to economies of scale and strong supplier relationships, allowing it to negotiate lower prices for the actual baskets holding these goods, said managing director Alexis Tan.

Its CNY hampers range from S\$76 for a basket of mandarin oranges to S\$1,835 for a set including cognac, bird's nest and abalone.

Hamper content prices have been steadily increasing over the past five years and margins are “not that high” in the industry, he added. “So cost increases will impact (us) quite a lot.”

## YUSHENG

This year, yusheng production costs are up 10 to 15 per cent for Stamford Catering. For instance, salted egg fish skin—a key ingredient in one of its yusheng options—is 15 per cent costlier.

Stamford Catering decided to absorb cost increases for most of its yusheng options, including salted egg fish skin. But it has raised the price for its smoked salmon yusheng, to S\$52 from S\$42.80 last year.

Having expected higher costs due to inflation and a surge in demand, the company sourced products in bulk to reap economies of scale, said a spokesperson.

Carlton Hotel's Wah Lok restaurant, however, has raised its yusheng prices due to higher labour and ingredient costs, overhead expenses and inflation.

Its yusheng starts at S\$88 for dine-in, higher than in 2023. Takeaway sets begin at S\$98, with prices for each type up S\$10 from last year.

## MANDARIN ORANGES

Fortunately for mandarin orange sellers, supply of the festive fruit from China was abundant this year, said SLH Fresh Fruits general manager Ang Eng Guan.

The fruit seller paid S\$12 to S\$13 for one carton of 46 oranges, down from about S\$16 last year. Sellers could also afford to be pickier, choosing higher-quality produce.

Last year's shipping costs were also much higher—though this year brought a second GST hike, noted Ang. Its cartons go for about S\$19 to \$20 each at SLH's offline stores, compared to over S\$20 in 2023. Online, they retail at about S\$26, after a 10 to 20 per cent jump in local delivery fees—but this is still down from S\$29 or \$30 last year.

SLH is also taking lower margins and banking on higher volume this year, with the bountiful harvest being a double-edged sword. Because the oranges were cheaper, SLH brought more in—and it now needs demand to pick up, to clear its stock of the perishable produce.

\*Prices are accurate as at Feb 7