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Inflation low and under control, says Mustapa



Economic affairs minister Mustapa Mohamed says the actual oil price is more than RM4 a litre, but the people only have to pay RM2.05 per litre for RON95 and RM2.15 per litre for diesel. (Bernama pic)

KUALA LUMPUR: Although the inflation rate for April is expected to be higher following the increase in the prices of goods, it is still considered low and under control due to the broad-based subsidies provided by the government, says economic affairs minister Mustapa Mohamed.

He said the government's move to control raw material prices has also helped in curbing the country's inflation, which stood at 2.2% in March.

"Inflation in the US had hit 8.3% in April while in the UK, it was 9.0%.

"Thankfully, our inflation rate is low due to price controls and subsidies, such as those for cooking oil and fuel.

“For example, the actual oil price is more than RM4 a litre, but the people only have to pay RM2.05 per litre for RON95 and RM2.15 per litre for diesel,” he told the media after attending a ceremony to mark the collaboration between AirAsia Academy and MyDIGITAL Corporation here today.

According to the statistics department, the Consumer Price Index (CPI), which measures the headline inflation in Malaysia, increased 2.2% to 125.6 in March from 122.9 in the preceding month.

This surpassed the average inflation rate of 1.9% in Malaysia for the period from January 2011 to March 2022, the department added.

Meanwhile, the government is studying in detail the implementation of targeted subsidies and will make an announcement when the time comes.

The targeted subsidies already implemented by the government included for hajj pilgrimage.

“The government is aware of the pressure felt by the people due to rising prices and is providing large subsidies.

“These subsidies will continue, but from a policy standpoint, we have decided to implement a targeted subsidy policy for those who are eligible and needy,” Mustapa said.

The minister also said the government had no intention to peg the ringgit to the US dollar, in line with what has been announced by Bank Negara Malaysia governor Nor Shamsiah Mohd Yunus.

On the ceremony today, Mustapa lauded AirAsia Academy for its initiative in training Malaysians by providing upskilling and reskilling courses to improve their employability and career advancement prospects as well as enhancing their capability to use, develop, design and innovate Industrial Revolution 4.0 (4IR) technology solutions.

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