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Stats Dept to carry out study for CPI review

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KUALA LUMPUR: The Department of Statistics Malaysia (DOSM) is carrying out a study on income patterns and basic facilities, which are important elements in the review of the Consumer Price Index (CPI) that will be held next year and give a true picture of the country's inflation rate, said chief statistician Datuk Seri Mohd Uzir Mahidin.

Mohd Uzir said the income pattern study will have an impact on the relative propriety of an item or element in the CPI.

"From there we will also see whether the item is in the basket of goods and the weight of the item involved, whether to increase or decrease it. This is influenced by income and expenditure which are linked to each other," he told a media briefing in conjunction with *Hari Statistik Negara (MyStats Day)* on Oct 20.

Malaysia's inflation, as measured by the CPI, is projected to increase but remain relatively contained between 2.5% and 3.5% in 2022 compared with 2.5% in 2021.

Earlier, economists suggested the country's CPI should be reviewed since food prices continue to rise and the CPI does not reflect the real cost of living.

Malaysia's CPI is reported to be lower than countries such as India, the US, the UK and Singapore which are at 7.04%, 8.6%, 9.1% and 5.6% respectively.

According to the 2019 DOSM Household Expenditure Survey Report, the B40 have allocated more of their income on food and beverage items compared with the M40 at 18% and the T20 at 12.6%, and with the increase in food price inflation in recent months, the B40 may have spent more than 50% of their income on food items alone.

The middle to upper M40 is also a vulnerable income group as their spending patterns are comparable to the B40 in relation to food consumption. - Bernama