

KERATAN AKHBAR

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Rafizi: Malaysia's inflation under control after dropping to 2pc in July, marking 11 months of continuous decline



Economy Minister Rafizi Ramli said the latest figure recorded reflects a continuous trend of increasingly stable prices as it also marked an 11-month continuous decline in the inflation rate since September last year. — Picture by Choo Choy May

KUALA LUMPUR, Aug 29 — Economy Minister Rafizi Ramli said today Malaysia's inflation rate remains under control after the country's Consumer Price Index (CPI) continued to ease to 2 per cent in July 2023.

The CPI, which is the main measurement of inflation used by the Statistics Department of Malaysia, is the lowest so far this year.

Rafizi said the latest figure recorded reflects a continuous trend of increasingly stable prices as it also marked an 11-month continuous decline in the inflation rate since September last year.

"I think we can safely say that our inflation is under control and with the progressive wage system policy having been approved at the Cabinet level for implementation, we will manage both sides of the coin.

"Meaning with prices under a controlled inflation rate of around 2 per cent and the implementation of the progressive wage policy next year, we will be able to see employees and families benefiting from this," he told reporters at his ministry in Putrajaya.

On August 8, Rafizi said details of the progressive wage policy system will be tabled during the upcoming Budget 2024 in October since the system is expected to be implemented in April or May next year.

He said one of the government's priorities is to ensure runaway inflation — a situation in which the prices of goods and services rise at an extremely fast and uncontrollable rate — does not happen.

"A prolonged high inflation rate will dent the people's purchasing power since both goods and services will see their prices increased while wages might not increase at the same level," he said.

In a statement last Friday, chief statistician Datuk Seri Mohd Uzir Mahidin said the low inflation rate was driven by the slower increase in restaurants and hotels at 5.0 per cent against 5.4 per cent in June, and food and non-alcoholic beverages (4.4 per cent), followed by miscellaneous goods and services (2.6 per cent) while both health and education groups increased by 2.0 per cent.

Mohd Uzir said nine states recorded increases below the national inflation level of 2.0 per cent, with Wilayah Persekutuan Labuan recording the lowest increase of 1.1 per cent in July 2023.

However, six states recorded increases above the national inflation level, namely Pahang (2.6 per cent), Sarawak (2.6 per cent), Wilayah Persekutuan Putrajaya (2.6 per cent), Perak (2.4 per cent), Selangor (2.4 per cent) and Melaka (2.2 per cent).