

# KERATAN AKHBAR

TARIKH : 23 JANUARI 2024  
 AKHBAR : THE SUN  
 MUKA SURAT : 14

## Malaysia's inflation steady at 1.5% in December

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► Annual rate in 2023 increased by 2.5%, compared with 3.3% in 2022

**PUTRAJAYA:** Malaysia's headline inflation rate stood at 1.5% in December 2023 with the Consumer Price Index (CPI) at 131.2 points compared with 129.2 points in the same month of the previous year, according to the Department of Statistics Malaysia.

The annual headline inflation in 2023 increased by 2.5% (2022: 3.3%).

Chief Statistician Malaysia Datuk Seri Mohd Uzir Mahidin said December inflation was driven by lower increases in restaurants and hotels, 3.7% (November 2023: 4.3%); miscellaneous goods and services, 2.7% (November 2023: 2.3%), and food and non-alcoholic beverages, 2.3% (November 2023: 2.6%).

Other main groups that showed increases were health, 2.5% (November 2023: 2.3%) and transport, 0.3% (November 2023: 0.1%).

In the food & non-alcoholic beverages group, which contributes 29.5% of total CPI weight, food at home increased to 1.3% compared with 1.4% recorded in the previous month. The increase in the component of food at home was mainly driven by the subgroup of rice, bread and other cereals, 3% (November 2023: 3.1%). This was followed by milk, cheese and eggs, and sugar, jam, honey, chocolate and confectionery subgroups which inclined at 2.6% and 2.2% respectively.

Meanwhile, the food away from home component eased to 3.4%

compared with 3.9% registered in November 2023.

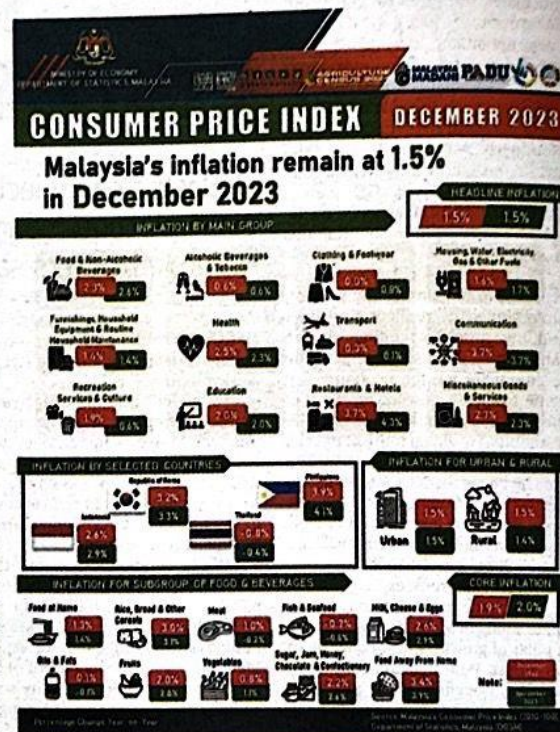
The increase in rice, bread and other cereals subgroup by 3% in December 2023 was contributed by the expenditure class of rice which recorded a slower increase of 4.6% compared with 4.7% in November 2023. Imported rice and imported fragrant rice increased by 10.1% (November 2023: 10.1%) and 6.0% (November 2023: 7.0%) respectively in December 2023. Meanwhile, the expenditure class of flour and other cereals grains declined to negative 0.3% (November 2023: 0.2%).

The inflation rate for the milk, cheese and eggs subgroup increased 2.6% in December 2023 (November 2023: 2.9%). The slower increase was recorded by the expenditure class of milk powder and other dairy products (3.8%), eggs (0.9%) and evaporated/ condensed milk (0.7%). Meanwhile, the inflation for the subgroup of oil and fats recorded a marginal increase of 0.1% (November 2023: -0.1%).

The price-setting mechanism for cooking oil from Dec 8, 2023 to Jan 7, 2024 to some extent offset the increase in inflation of this subgroup.

The subgroup of meat which consists of chicken, beef, pork, lamb, buffalo and duck, recorded an increase of 1% in December 2023 (November 2023: -0.2%).

Mohd Uzir said inflation in most states recorded increases below the national level of 1.5%.



However, six states/zones recorded increases above that – Sarawak (2.4%), Putrajaya (2.1%), Perak (1.9%), Penang (1.8%), Selangor (1.7%) and Perlis (1.6%).

All states registered an increase in inflation of food and non-alcoholic beverages. The highest increase was recorded by Penang and Labuan at 3.3%, followed by Putrajaya (3.1%), Selangor (3.0%), Sarawak (2.9%), Pahang (2.9%) and Perlis (2.3%). Meanwhile, other

states showed an increase below the national inflation of food and non-alcoholic beverages of 2.3% in December 2023.

In comparison to inflation of other selected countries, inflation in Malaysia (1.5%) was lower than inflation in the Philippines (3.9%), Vietnam (3.6%), the United States (3.4%), South Korea (3.2%), eurozone (2.9%) and Indonesia (2.6%). However, the rate is higher than in Thailand (-0.8%) and China (-0.3%),