

KERATAN AKHBAR

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Malaysia's inflation in 2023 slows to 2.5%

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► Main groups show rises, except for communication subsector

PETALING JAYA: Malaysia's inflation in 2023 recorded a slower increase of 2.5% (2022: 3.3%) with the price index at 130.4 points as against 127.2 points in the previous year, according to the Department of Statistics Malaysia.

Inflation for the main groups showed an increase except for communication (-3%). The highest increase was recorded by restaurants & hotels at 5.6%. This was followed by food & beverages (4.8%); miscellaneous goods & services (2.4%); furnishings, household equipment & routine household maintenance (2.3%); health (2.2%); education (1.9%); housing, water, electricity, gas & other fuels (1.7%); recreation services & culture (1.5%); transport (1.1%); alcoholic beverages & tobacco (0.6%); and clothing & footwear (0.3%).

In a statement yesterday, Chief Statistician Malaysia Datuk Seri Dr Mohd Uzir Mahidin said, "The slower increase of inflation in 2023 was in tandem with the decline in most global commodity prices, the easing of supply disruptions, price controls and the provision of subsidies for selected goods. Despite a decrease in energy commodity prices in 2023 (-29.9%) compared to 2022 (60.0%), the price of this commodity is still higher compared to pre-pandemic levels."

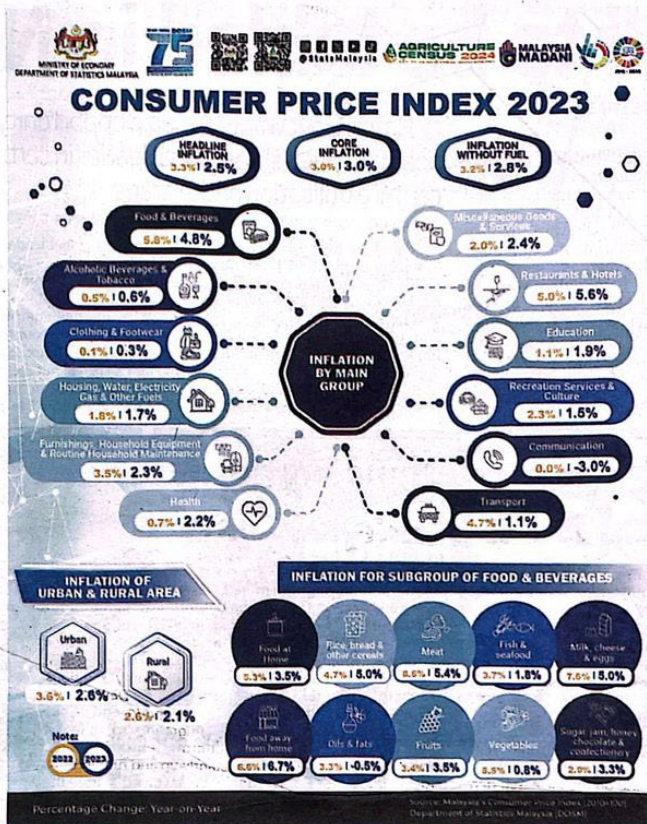
He added that the increase in fuel costs and dependence on imported liquefied natural gas (LNG) has prompted the government to adjust electricity tariffs under the implementation of the Imbalance Cost Pass-Through mechanism for users in Peninsular Malaysia for the period of July 1, 2023, to Dec 31, 2023.

Domestic users with electricity consumption units exceeding 1,500kWh will be imposed a surcharge of 10 sen/kWh, he said.

Other initiatives provided by the government can be directly seen through the *Payung Rahmah* initiative which includes *Menu Rahmah*, *Jualan Rahmah*, *Bakul Rahmah*, *Pakej Rahmah* and *Menu Siswa Rahmah*. These initiatives target the low-income group and the hardcore poor. Other than that, the government has spent almost RM8 billion on *Sumbangan Tunai Rahmah*, which has benefited 8.7 million Malaysians.

The initiatives contributed to easing the burden of the lower-income group in dealing with the rising cost of living.

Mohd Uzir said the food & beverages



group which is the largest component of household spending in Malaysia with a contribution of 29.5% of total Consumer Price Index weight started to ease to 4.8% compared with 5.8% in the preceding year.

The slower increase of this group is largely due to a slower rise in the food at home component which went up 3.5% compared with 5.3% recorded in 2022. Food away from home increased of 6.7% compared with the previous year (6.6%).

Inflation of restaurants & hotels recorded an increase of 5.6% in 2023 against 5% in 2022. The subgroup for expenditure in restaurants & cafés increased by 5.5% compared with 5.3% in 2022.

In addition, the subgroup of accommodation

services recorded a significant increase of 5.5% in 2023 compared with 3.7% in 2022. Inflation of hotels increased to 5.8% as against 4.1% recorded in 2022.

However, inflation of transport recorded a slower increase of 1.1% in 2023 compared with 2022 (4.7%), mainly due to the subgroup of operation of personal transport equipment which moderated to 0.8% compared with 5.8% in 2022.

The average price of unleaded petrol RON97 declined to RM3.39 per litre from RM3.97 per litre in 2022, in tandem with the drop in the average price of world Brent crude oil. The average prices of unleaded petrol RON95 and diesel remained at RM2.05 per litre and RM2.15 per litre respectively.