"Artificial intelligence is becoming a significant economic

"Malaysia is among the world's most active users of AI at work,

# DOSM: Malaysia's inflation eases to 1.4 pct in 2025

**KUALA LUMPUR:** Malaysia's inflation moderated to 1.4 per cent in 2025 as compared to 1.8 per cent in the previous year, supported by the firmer ringgit, sustained household spending and initiatives by the government.

According to the Department of Statistics Malaysia (DOSM), government initiatives to distribute RON95 petrol subsidies to Malaysians, to a certain extent, helped to curb further increases in Malaysia's inflation.

"This rate is within the inflation range projected by Bank Negara Malaysia and the Ministry of Finance, between 1.0 per cent and 2.0 per cent for 2025," it said in a statement regarding the analysis of Consumer Price Index (CPI) 2025.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the country's inflation in 2025 was contributed by the inflation of housing, water, electricity, gas and other fuels (1.6 per cent); health (1.2 per cent); recreation, sports and culture (1.1 per cent); transport (0.4 per cent) and furnishings, household equipment and routine household maintenance (0.2 per cent).

He said personal care, social protection and miscellaneous goods and services recorded a higher increase at 4.4 per cent compared to 2024's 3.0 per cent, followed by insurance and financial services (3.4 per cent), restaurants and accommodation services (3.2 per cent), education (2.3 per cent), and food and beverages (2.1 per cent).

In contrast, he said information and communication and clothing and footwear recorded declines of negative 4.3 per cent and negative 0.2 per cent in 2025, respectively.

"The highest inflation throughout 2025 was recorded in January 2025 at 1.7 per cent and edged down to 1.1 per cent in June 2025, contributed by a slower trend in the inflation of food and beverages, and housing, water, electricity, gas and other fuels.

"Nevertheless, the inflation trend picked up in the second half of the year 2025," he said.

Mohd Uzir noted that the core inflation rose 2.0 per cent in 2025 as compared to 1.8 per cent in 2024, contributed by the personal care, social protection and miscellaneous goods and services (4.4 per cent), food and beverages (3.4 per cent), insurance and financial services (3.4 per cent), and restaurant and accommodation services (3.2 per cent).

Meanwhile, he said most states registered slower inflation, with four states exceeding the national inflation rate of 1.4 per cent in 2025, namely Johor (2.0 per cent), Selangor (1.7 per cent), Negeri Sembilan (1.7 per cent) and Melaka (1.5 per cent).

"Kelantan recorded the lowest increase at 0.3 per cent," he said.

Mohd Uzir said that, compared with inflation in other selected countries, the inflation rate in ASEAN countries ranged from negative 0.3 per cent to 7.7 per cent in 2025.

"Laos recorded the highest inflation at 7.7 per cent, while Brunei recorded the lowest inflation at negative 0.3 per cent," he added. — Bernama