ECONOMY

Inflation eases in 2025

Firmer ringgit, govt initiatives support moderation

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

According to the Statistics Department, 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 Finance Ministry, between 1% and 2% 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%); health (1.2%); recreation, sports and culture (1.1%); transport (0.4%) and furnishings, household equipment and routine household maintenance (0.2%).

He said personal care, social protection and miscellaneous goods and services recorded a higher increase at 4.4% compared to 2024's 3%, followed by insurance and financial services (3.4%), restaurants and accommodation services (3.2%), education (2.3%), and food and beverages (2.1%).

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

"The highest inflation throughout 2025 was recorded in January 2025 at 1.7% and edged down to 1.1% 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 financial year 2025," he further said.

Mohd Uzir noted that the core inflation rose 2% in 2025 as compared to 1.8% in 2024, contributed by the personal care, social protection and miscellaneous goods and services (4.4%), food and beverages (3.4%), insurance and financial services (3.4%), and restaurant and accommodation services (3.2%).

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>
> Datuk Seri Mohd Uzir Mahidin

Meanwhile, he said most states registered slower inflation, with four states exceeding the national inflation rate of 1.4% in 2025, namely Johor (2%), Selangor (1.7%), Negri Sembilan (1.7%) and Melaka (1.5%).

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

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

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