

Malaysia's inflation softens to 1.8% in July

➤ Slower increase mainly driven by transport group

PETALING JAYA: Malaysia's inflation eased to 1.8% in July 2026 from 1.9% in the previous month, with the Consumer Price Index (CPI) increasing to 137.1 from 134.7 in July 2025, the Department of Statistics, Malaysia (DoSM) said yesterday.

It said this was driven by the transport group which increased to 1.4% compared with 2.8% in June 2026.

The personal care, social protection and miscellaneous goods & services group moderated to 2.9% in July compared with 3.4% in June.

This was followed by slower increases in alcoholic beverages & tobacco, 2.7% (June: 2.8%); res-

taurant & accommodation services, 2.0% (June: 2.6%) and education, 2.0% (June: 2.1%).

Both insurance & financial services and health groups eased to 1.1% in July compared with 5.7% and 1.2% in the previous month, respectively. Besides, the furnishings, household equipment & routine household maintenance group increased marginally at 0.3% (June: 0.4%).

The information & communication group increased to 3.4% in July compared with 2.4% in June. The food & beverages and housing, water, electricity, gas & other fuels groups increased in July to 1.8% compared with 1.4% in the previous month.

The recreation, sport & culture and clothing & footwear groups increased to 1.2% (June: 1.1%) and 0.1% (June: 0.0%), respectively.

About 65.3% of items (374 out of 573) recorded price increases. Nonetheless, out of this total, 367

items (98.1%) registered an increase of less than or equal to 10%, while only seven item recorded increases of more than 10% in July 2026.

The remaining 157 items (27.4%), showed a decline and 42 items remained unchanged. The food & beverages group which contributes 29.8% of the total CPI weight increased 1.8% in July compared with 1.4% in the previous month.

The increase was driven by the food away from home and the food at home subgroups. Food away from home rose to 2.5% compared with 2.4% in June, while food at home registered an increase of 1.2% in July (June: 0.5%).

The expenditure class of meat went up to 3.2% in July compared with 1.5% in June.

The expenditure class of vegetables increased to 1% in July from negative 1.8% in June.

The housing, water, electricity,

gas & other fuels group increased 1.8% in July compared with 1.4% in June. This was driven by the increase of water supply & miscellaneous services relating to the dwelling and electricity, gas & fuel subgroups to 7.3% (June: 6.8%) and 2% (June: -2.3%), respectively.

The average price of unleaded petrol RON97 in July decreased to RM4.07 per litre from RM4.33 in June. The average market price of diesel registered at RM4.14 per litre compared with RM4.50 in the previous month. The average market price of unleaded petrol RON95 was recorded at RM3.47 per litre in July (June 2026: RM3.69) compared with the subsidised price of RM1.99e.

The government implemented the Budi Diesel mechanism effective July 1, allowing eligible owners of private diesel vehicles to purchase subsidised diesel at RM2.10 per litre through the MyKad verification system.

CONSUMER PRICE INDEX JULY 2026

Malaysia's inflation increased 1.8 per cent in July 2026



CORE INFLATION

1.9% 1.8%



INFLATION WITHOUT FUELS

1.8% 1.8%

HEADLINE INFLATION

JUNE 2026 JULY 2026

1.9% 1.8%



INFLATION FOR URBAN

1.8% 1.8%



INFLATION FOR RURAL

1.7% 1.7%