

MODERATION DRIVEN BY TRANSPORT GROUP

Headline inflation eases to 1.8pc

KUALA LUMPUR: Malaysia's headline inflation eased to 1.8 per cent last month from 1.9 per cent in June, as slower growth in transport costs helped moderate overall price increases, according to the Statistics Department.

The Consumer Price Index (CPI) rose to 137.1 points in July from 134.7 points a year earlier.

The moderation was driven by the transport group, where inflation slowed to 1.4 per cent from 2.8 per cent in June.

This was due to a slower increase in the cost of operating personal transport equipment, which rose at a slower pace of 1.3 per cent compared with 3.1 per cent in the previous month.

The department said lower fuel prices and the implementation of the Budi diesel subsidy programme contributed to easing transport inflation.

According to the statistics department, the average price of RON97 petrol fell to RM4.07 per litre in July from RM4.33 in June, while diesel declined to RM4.14 per litre from RM4.50.

RON95 averaged RM3.47 per litre

compared with RM3.69 previously.

Other categories that logged slower inflation included personal care, social protection and miscellaneous goods & services, which eased to 2.9 per cent from 3.4 per cent in June, as well as restaurant and accommodation services at 2.0 per cent from 2.6 per cent previously.

However, inflation accelerated in several major categories, with food and beverages group rising 1.8 per cent in July, up from 1.4 per cent in June, while housing, water, electricity, gas and other fuels increased by 1.8 per cent compared with 1.4 per cent previously.

The information and communication group also logged faster inflation at 3.4 per cent from 2.4 per cent.

Inflation for food at home accelerated to 1.2 per cent from 0.5 per cent, while food away from home edged up to 2.5 per cent from 2.4 per cent.

Among food items, the meat category recorded a 3.2 per cent increase, driven by a sharp rise in chicken prices.

Inflation for chicken accelerated to 6.7 per cent from 1.2 per cent in June, with the average national price of standard chicken reach-



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ing RM10.88 per kg compared with RM10.25 per kg a year ago.

Vegetable prices also rose, with tomatoes, Chinese kale, lettuce, angled gourd and cabbage registering notable increases during the month.

Housing-related inflation was partly driven by higher electricity costs.

The Statistics Department said the automatic fuel adjustment surcharge for domestic users consuming more than 600 kilowatt-hours (kWh) was raised to 3.59 sen per kWh in July from 2.59 sen per kWh in June.

However, households consuming 600 kWh or less were unaffected.

At the state level, seven states recorded inflation rates above the national average of 1.8 per cent, led by

Negri Sembilan at 2.5 per cent, followed by Kedah and Pahang at 2.3 per cent each, Kuala Lumpur at 2.2 per cent and Johor at 2.1 per cent.

On a month-on-month basis, headline inflation was unchanged from June.

Food and beverages rose 0.3 per cent, while recreation, sport and culture and restaurant and accommodation services each increased 0.2 per cent.

Meanwhile, the transport group declined 1.1 per cent during the month.

The department said 374 of the 573 items tracked under the CPI basket recorded price increases in July, although 98.1 per cent of those items saw increases of 10 per cent or less.