

## **Global food prices on the rise due to Covid**

THE global food prices are now rising at a rapid rate over the past decade and are exacerbated by the problems of countries around the world that still struggling to deal with the spread of the pandemic.

The Food and Agriculture Organisation (FAO) said the increase in the prices of some of the world's major commodities due to lack of supply and rising shipping costs contributed to the increase in the index of food and non-alcoholic beverage.

"The double-digit increase in the blended cooking oil index for the second consecutive month since May 2021 proves that Malaysia is also experiencing the pinch of the global price hike," FAO said.

Malaysia's Consumer Price Index (CPI) also increased 3.4% in June 2021 to 123.2 compared to 119.1 in June 2020, according to the Department of Statistics (DoSM).

Several states namely Terengganu (4.4%), Kelantan (4.1%), Pahang (3.9%), Perak (3.6%), Selangor and Putrajaya (3.5%), Negri Sembilan (3.5%), and Kedah and Perlis (3.5%) surpassed the national CPI rate of 3.4% in June 2021.

DoSM added that the CPI remained positive for the fifth consecutive month since February 2021 due to the lower base effect last year as a result of the decline in fuel prices for private vehicles.

"The transport segment was the main contributor to the headline inflation, increasing 16.6%, followed by housing, water, electricity, gas, and other fuels at 3.2%; furnishings, household equipment and routine household maintenance at 2%, and food and non-alcoholic beverage at 1.3%," it said.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said on a monthly basis, the CPI increased by 0.1% from May 2021 whereby it was attributed to food and non-alcoholic beverage at 0.3%, and miscellaneous goods and services at 0.1%.

"This slow momentum was due to the implementation of Movement Control Order 3.0 while operations closure for non-essential sectors throughout June 2021 eased the inflation pressures.

“Additionally, the CPI for the second quarter of 2021 inclined 4% to 123.1 as compared to 118.2 in the same quarter of the preceding year. On a quarterly basis, the CPI increased 0.5% compared to the first quarter of 2021,” he said.

The CPI without fuel increased 1.5% in June 2021 to 113.9 as compared to 112.2 in the same month of the preceding year, covering all goods and services except for Ron95, Ron97 and diesel.

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