

HOME

Inflation down for fourth straight month to 2.4% in June, says DOSM

BY REYANNA NG & LAM JIAN WYN
theedgemalaysia.com

KUALA LUMPUR (July 24): Inflation dropped for the fourth straight month to 2.4% in June 2023 — the lowest level in six months — underpinned by a smaller increase in restaurants and hotels, food and non-alcoholic beverages, and furnishings, household equipment and routine household maintenance.

In a statement on Monday (July 24), the Department of Statistics Malaysia (DOSM) said that on a monthly basis, the consumer price index (CPI) also recorded a smaller increase of 0.1% from May, against the 0.7% monthly increase seen a month prior.

“The slower increase in Malaysia’s inflation was driven by a lower increase in restaurants and hotels at 5.4% (May: 6.7%); food and non-alcoholic beverages at 4.7% (May: 5.9%); and furnishings, household equipment and routine household maintenance at 2.3% (May: 2.7%),” said chief statistician Datuk Seri Dr Mohd Uzir Mahidin.

Notably, the food and non-alcoholic beverage group accounted for the biggest share (29.5%) of the CPI, followed by electricity,

gas and other fuels (23.8%), and transport (14.6%).

Aside from that, June’s inflation was contributed by a rise in miscellaneous goods and services (2.6%), health (2.0%), and education (1.9%), while housing, water, electricity, gas and other fuels saw a rise of 1.8%, and recreation services and culture recorded an increase of 1.6%.

This was followed by alcoholic beverages and tobacco at 0.6%, and clothing and footwear at 0.1%.

Monthly headline inflation in June grew by 0.2%, the same rate as recorded in May, mainly due to recreation services and culture, health, and transport.

“The inflation in the second quarter of 2023 inclined 2.8% to 130.2, compared with 126.6 in the same quarter of the preceding year. On a quarterly basis, inflation increased 0.4%, compared to the first quarter of 2023,” added the DOSM.

At the state level, 10 states recorded increases below the national inflation level of

2.4%, with Labuan recording the lowest increase of 1.2%.

Meanwhile, “six states recorded increases above the national inflation level, namely Sarawak (3.0%), Pahang (2.9%), Putrajaya (2.8%), Selangor (2.7%), Perak (2.7%), and Melaka (2.7%),” Mahidin added.

Additionally, core inflation, which measures changes in the prices of all goods and services excluding volatile prices of fresh food and administered prices of goods by the government, grew 3.1%, compared with May’s 3.5%, owing to slower increases in food and non-alcoholic beverages, and restaurants and hotels.

In comparison to inflation in other countries, the eurozone’s inflation increased slower to 5.5% in June, compared with 6.1% in the previous month, while the inflation rate in the US eased to 3% in June, against 4% in May.

Within the Asia-Pacific region, Malaysia’s inflation rate of 2.4% was lower than South Korea (2.7%), Indonesia (3.5%), and the Philippines (5.4%), though higher than Thailand (0.2%).

Malaysia headline inflation, June 2022-June 2023



Source: Department of Statistics Malaysia

THEEDGE