

Inflation rises to 3.3 pct in 2022

KUALA LUMPUR: Malaysia's inflation in 2022 rose to 3.3 per cent versus 2.5 per cent in 2021, with the index points standing at 127.2 last year versus 123.1 in 2021, said the Department of Statistics Malaysia (DOSM).

Chief statistician Datuk Seri Mohd Uzir Mahidin said the increment was driven mainly by food and beverages (5.8 per cent), restaurants and hotels (5.0 per cent), transport (4.7 per cent), and furnishings, household equipment and routine household maintenance (3.5 per cent).

"The increase in inflation in 2022 was in tandem with the rise in majority commodities prices, the strengthening of the US dollar against major currencies, and geopolitical tensions between Russia and Ukraine.

"A significant increase was recorded by all the subgroups in

food and beverages which registered an incline between 2.9 per cent and 8.6 per cent.

"Moreover, events such as floods and landslides had also caused disruptions in the supply of agricultural products, leading to shortages of food supplies and increased prices," he said in a statement in conjunction with the release of Analysis of Annual Consumer Price Index (CPI) 2022 report, yesterday.

According to Mohd Uzir, the reopening of the tourism sector in April 2022 to international tourists from the neighbouring countries had an impact on the inflation for restaurants and hotels which posted a five per cent increase last year as compared to 0.4 per cent recorded in 2021, whereas the highest inflation in 2022 was reported in August at 4.7 per cent.

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Datuk Seri Mohd Uzir Mahidin

"This (the highest inflation rate in August) was due to the lower base effect in 2021 as a result of the electricity bill discount given to domestic consumers under the National People's Well-Being and Economic Recovery Package (Pemulihan) from July to September 2021," he added.

Mohd Uzir also noted that the inflation in 2022 was contributed by recreation services and culture (2.3 per cent), miscellaneous goods and services (two per cent), and housing, water, electricity, gas and other fuels

"Despite the increases in the majority of items in the CPI basket, there were 17.0 per cent of items that recorded decreases and remained unchanged, which had indirectly eased the inflation.

"Among the goods that showed decreases in prices were ginger (-15.7 per cent), rambutan (-3.9 per cent) and belt (-3.6 per cent), while the Light Rail Transit (LRT) fare, sewerage bill and magazine remained unchanged," he said. Mohd Uzir further said that inflation for transport showed a slower increase of 4.7 per cent in 2022 as compared to 2021 (11.0 per cent), caused by the subgroup of operation of personal transport equipment which moderated to 5.8 per cent as against 14.1 per cent in 2021.

"This was due to the end of the low base effect following the setting of the ceiling price of the RON95 unleaded petrol to RM2.05 per litre in March 2021.

"The average price of RON95 unleaded petrol in 2022 increased by 1.1 per cent (RM2.05) year-on-year as compared to 21.2 per cent (RM2.03) in 2021.

"Nevertheless, the average

Meanwhile, Mohd Uzir said inflation without fuel which covers all goods and services except RON95 unleaded petrol, RON97 unleaded petrol and diesel was up 3.2 per cent in 2022 versus 1.2 per cent in 2021.

"The core inflation (which) includes all goods and services except volatile items like fresh food as well as administered prices of goods and services increased to three per cent as compared to 0.7 per cent in the previous year," he added.

Commenting on inflation at the state level, Mohd Uzir said that all states recorded increases in inflation with three states posting an increase above the national inflation level of 3.3 per cent in 2022.