

# INFLATION AT 2pc IN JUNE

Figure lower than UOB and consensus estimates of 2.6pc and 2.2pc, respectively

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**M**ALAYSIA'S headline inflation held steady at two per cent year-on-year last month, lower than UOB (2.6 per cent) and consensus' (2.2 per cent) estimates despite the rationalisation of diesel subsidy on June 10.

On a month-on-month basis, the consumer price index (CPI) rose by 0.2 per cent, slower than the 0.3 per cent recorded in the preceding month, according to the Statistics Department.

This was driven by increased inflation in, among others, restaurant and accommodation services, housing, water, electricity, gas and other fuels, personal care, social protection and miscellaneous goods and services.

Recognising a much smaller-than-anticipated impact from the diesel subsidy rationalisation and benign inflation reading of an average 1.8 per cent in the first half of 2024, UOB revised downwards its full-year 2024 inflation projection to two per cent from 2.6 per cent previously.

"The government's mitigation measures to curb excessive price hikes and profiteering have helped somewhat.

"That said, inflation risks are still tilted to the upside pending RON95 fuel subsidy rationalisation, effects of EPF (Employees Provident Fund) withdrawals and salary hikes for civil servants," the bank added.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin in a statement said the higher restaurant



*The average price of standard chicken in Malaysia last month was RM10.58 per kilogramme compared to RM10.54 per kg in June last year. FILE PIC*

and accommodation services inflation was due to the increase in the main subgroup of beverage preparation services to 4.2 per cent (May 2024: 4.1 per cent).

Meanwhile, the inflation for housing, water, electricity, gas and other fuels was mainly from the subgroup of water supply and miscellaneous services relating to dwelling.

The average price of standard chicken in Malaysia last month was RM10.58 per kilogramme compared to RM10.54 per kg in June last year, while the average price of standard chicken in Peninsular Malaysia was RM9.92

per kilogramme as compared to RM9.93 per kg in June last year.

Inflation for transport increased 1.2 per cent, contributed by the main subgroup of operation of personal transport equipment, which increased to 1.7 per cent in June 2024.

Uzir said most states recorded increases below the national inflation rate of two per cent.

Four states had inflation rates above the national level: Penang at 3.3 per cent, Sarawak at 2.7 per cent, Pahang at 2.7 per cent, and Selangor at 2.4 per cent.

"All states registered an increase in the inflation of food and

beverage (F&B).

"The highest increase was recorded by Selangor at 3.3 per cent, followed by Penang (2.9 per cent) and Perlis (2.1 per cent).

"Meanwhile, other states showed an increase below the national inflation of F&B of two per cent last month."

Malaysia's inflation rate was lower than Vietnam's at 4.3 per cent, the Philippines' at 3.7 per cent, Indonesia's at 2.5 per cent, and South Korea's at 2.4 per cent. However, it was higher than Thailand's and China's rates, which stood at 0.6 per cent and 0.2 per cent, respectively.