



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT
ANALYSIS OF ANNUAL CONSUMER PRICE INDEX, MALAYSIA
2022

Malaysia's inflation in 2022 increased to 3.3 per cent

PUTRAJAYA, 17 May 2023 – The Department of Statistics, Malaysia (DOSM) today released the **ANALYSIS OF ANNUAL CONSUMER PRICE INDEX, MALAYSIA, 2022** which shows that the inflation in 2022 increased to 3.3 per cent (2021: 2.5%) with the index points recorded at 127.2 as against 123.1 in the previous year. This increase was driven mainly by Food & Beverages (5.8%), Restaurants & Hotels (5.0%), Transport (4.7%) and Furnishings, Household Equipment & Routine Household Maintenance (3.5%).

In a statement today, Dato' Sri Dr. Mohd Uzir Mahidin, the Chief Statistician Malaysia said, "The increase in inflation in 2022 was in tandem with the rise in majority commodities prices, the strengthening of US dollar (USD) against major currencies and geopolitical tensions between Russia and Ukraine. A significant increase was recorded by all the subgroups in Food & Beverages and registered an incline between 2.9 per cent to 8.6 per cent. Moreover, events such as floods and landslides have also caused disruptions in the supply of agricultural products, leading to shortages of food supplies and increased prices."

Dato' Sri Dr. Mohd Uzir Mahidin added, "In an effort to revive the economy hit by the COVID-19 pandemic, the government had reopened the tourism sector in April 2022 to international tourists from countries such as Singapore, Indonesia and Thailand. This had an impact on the inflation for Restaurants & Hotels which registered a 5.0 per cent increase in 2022 as compared to 0.4 per cent recorded in 2021. Throughout the year 2022, the highest inflation was registered in August 2022 (4.7%).

This 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 (PEMULIH) from July to September 2021.”

In order to address the rising cost of living, the government has established a Special Task Force on Jihad Against Inflation chaired by the Minister of Communications and Digital by the end of June 2022. One of the interventions introduced was to set the ceiling price of cooking oil in 2 kilogrammes, 3 kilogrammes and 5 kilogrammes bottles on a monthly basis starting 8th August 2022. The ceiling price is based on the monthly price of one metric tonne of Crude Palm Oil (CPO) announced by the Malaysian Palm Oil Board (MPOB).

In addition, the inflation in 2022 was also contributed by Recreation Services & Culture (2.3%); Miscellaneous Goods & Services (2.0%) and Housing, Water, Electricity, Gas & Other Fuels (1.8%). Despite 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 has indirectly eased the inflation. Among the goods that showed decreases in price were Ginger (-15.7%), Rambutan (-3.9%) and Belt (-3.6%), while Light Rapid Transit (LRT) fare, Sewerage bill and Magazine remained unchanged.

Food & Beverages group which is the largest component of household spending in Malaysia with a contribution of 29.5 per cent of total CPI weight continues to incline as compared to the previous year. The inflation of this group recorded an increase of 5.8 per cent in 2022 (2021: 1.7%). Almost 90.0 per cent of food items recorded price increases with Food at home component recorded a 5.3 per cent increase as compared to 2.1 per cent in 2021. Meanwhile, Food away from home increased 6.6 per cent (2021: 1.4%).

Inflation for Restaurants & Hotels increased significantly by 5.0 per cent to 139.5 in 2022 as compared to 132.9 in 2021. The subgroup of Expenditure in restaurants & cafés increased by 5.3 per cent as against 0.8 per cent in 2021. The increase in Coffee/ Nescafe (7.4%), Malt drinks (7.3%) and Tea (6.0%) were major contributors to the increase in this subgroup. This was due to the increase in the price of beverage

inputs such as condensed milk which puts pressure on businesses to increase the price of drinks. Besides, the subgroup of Accommodation services also recorded an incline of 3.7 per cent as compared to the negative 1.8 per cent recorded in 2021 in line with the re-opening of national borders starting 1st April 2022.

Moreover, inflation for Transport showed a slower increase of 4.7 per cent in 2022 as compared to 2021 (11.0%). The slower increase was contributed 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 Unleaded petrol RON95 to RM2.05 per litre in March 2021. The average price of Unleaded petrol RON95 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 price of Unleaded petrol RON97 increased significantly to RM3.97 per litre as compared to RM2.65 in 2021. The increase in this subgroup was also contributed by Spare parts & accessories for personal transport equipment which increased by 6.0 per cent as compared to 1.1 per cent in 2021. The increase in the price of vehicle parts is the result from the supply of parts being severely affected globally by the pandemic, the conflict between Russia and Ukraine and the trade war between the United States of America and China.

Inflation for Furnishings, Household Equipment & Routine Household Maintenance, increased to 3.5 per cent in 2022 as against to 1.6 per cent recorded in 2021. This was attributed by the increase in all subgroups between 1.1 per cent to 7.3 per cent. The subgroup of Furniture & furnishing, carpets & others floor covering recorded the highest increase of 7.3 per cent. This increase was contributed by a significant increase in the expenditure class of Furniture & furnishings which was 8.4 per cent as compared to 5.1 per cent (2021). Disruption of the supply chain of raw materials and transportation caused an increase in operating costs as well as putting pressure on the price of construction materials such as boards, iron and PVC pipes. Among the items that recorded increases were Metal bed (16.9%), Table (14.6%), Dining table set (9.8%) and Sofa set (8.1%).

Inflation without fuel covers all goods and services except Unleaded petrol RON95, Unleaded petrol RON97 and Diesel. This inflation increased by 3.2 per cent in 2022

as compared to 1.2 per cent a year ago. The core inflation includes all goods and services except volatile items like fresh food as well as administered prices of goods and services. The core inflation increased to 3.0 per cent as compared to 0.7 per cent in the previous year. Among the groups that contributed to the increase were Food & Beverages (5.8%); Transport (5.6%); Restaurants & Hotels (5.0%) and Furnishings, Household Equipment & Routine Household Maintenance (3.5%).

Commenting on the inflation at the state level, Chief Statistician Malaysia elaborated all states registered increases in inflation whereas three states showed an increase above the national inflation level of 3.3 per cent in 2022. The highest increase was recorded by the Wilayah Persekutuan Putrajaya (7.3%), Selangor (4.2%) and Johor (3.4%). Wilayah Persekutuan Labuan recorded the lowest increase of 2.4 per cent. For Food & Beverages inflation, Wilayah Persekutuan Putrajaya recorded the highest increase of 7.7 per cent followed by Selangor (7.4%), Johor (6.1%) and Pulau Pinang (6.0%). Meanwhile, other states showed an increase below the national Food & Beverages inflation of 5.8 per cent in 2022. This increase was mainly due to the price increase for chicken, eggs and oil in 2022 due to the geopolitical tension between Russia and Ukraine which are among the exporters of raw materials for food products in Malaysia such as fertiliser and wheat.

In terms of inflation for urban and rural areas, urban area recorded an increase of 3.6 per cent as compared to 2.4 per cent recorded in the previous year. Among the main contributors to the headline inflation were Food & Beverages (6.1%), Restaurants & Hotels (5.3%) and Transport (5.0%). In addition, inflation in rural area recorded an increase of 2.6 per cent in 2022, similar to the increase recorded in 2021. This increase was influenced by Food & Beverages (4.3%), Transport (2.9%) and Restaurants & Hotels (2.9%). Meanwhile, inflation for income group below RM3,000 increased 3.3 per cent in 2022 as opposed to 2021 (2.2%). The Food & Beverages group contributed to the highest increase of 5.7 per cent followed by Restaurants & Hotels (5.4%); Furnishings, Household Equipment & Routine Household Maintenance (3.4%); Transport (3.1%) and Recreation Services & Culture (2.5%).

Commenting on inflation of ASEAN countries, Dato' Sri Dr. Mohd Uzir Mahidin said, "The inflation in ASEAN countries showed an increase ranging from 3.2 per cent to

23.0 per cent in 2022. Lao P.D.R recorded the highest inflation rate of 23.0 per cent, while Vietnam registered the lowest at 3.2 per cent. Thailand recorded a higher inflation rate than Malaysia, at 6.1 per cent as compared to 1.2 per cent in the previous year, due to increases in Energy inflation (24.5%), Transport & Communication (9.1%) and Food & Beverages (6.9%). Singapore's inflation rate also rose to 6.1 per cent as compared to 2.3 per cent in 2021, mainly due to higher Transport inflation at 16.4 per cent (2021: 8.9%) and Housing & Utility inflation at 5.3 per cent (2021: 1.4%). Similarly, Indonesia also recorded a higher inflation of 5.5 per cent (Malaysia: 3.3%).”

Chief Statistician Malaysia also added that three articles entitled **Online Prices versus Traditional Approach - A Case Study for Selected Items in Malaysia**, **The Price Elasticity of Demand for Flour and Flour Based Products in Malaysia** and **A Case Study of Elderly Households' Consumer Price Index, Malaysia** are included in this publication.

The Department of Statistics Malaysia (DOSM) is conducting the Economic Census in 2023. DOSM greatly appreciates the cooperation of respondents in providing information and ensuring the success of this census. Please visit www.dosm.gov.my for more information.

DOSM has launched OpenDOSM NextGen as a medium that provides a catalogue of data and visualisation to facilitate users in analysing various data. OpenDOSM NextGen is an open source data sharing platform and accessible through <https://open.dosm.gov.my> portal.

Embargo: Only to be published or disseminated at **1200 hour, Wednesday, 17 May 2023**

Please be informed that the Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20 each year. MyStats Day theme is “Connecting the World with Data We Can Trust”.

Released by:

**THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
17 MAY 2023**

Chart 1 Annual Inflation, Malaysia, 2011 - 2022

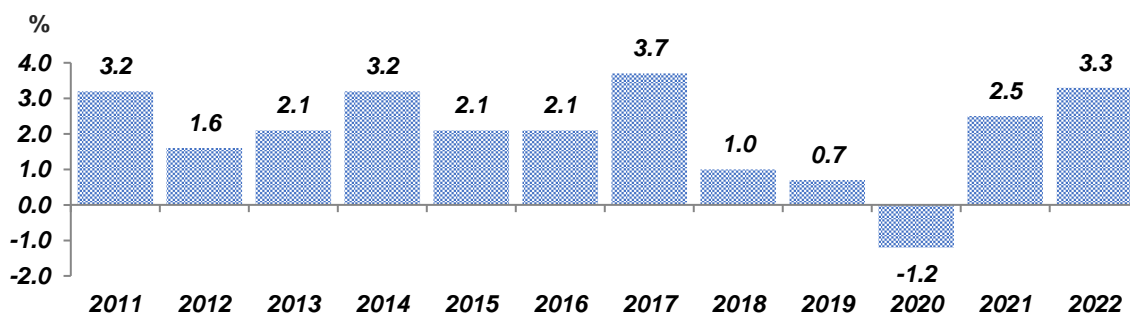


Chart 2 Headline Inflation, Malaysia, January - December 2022

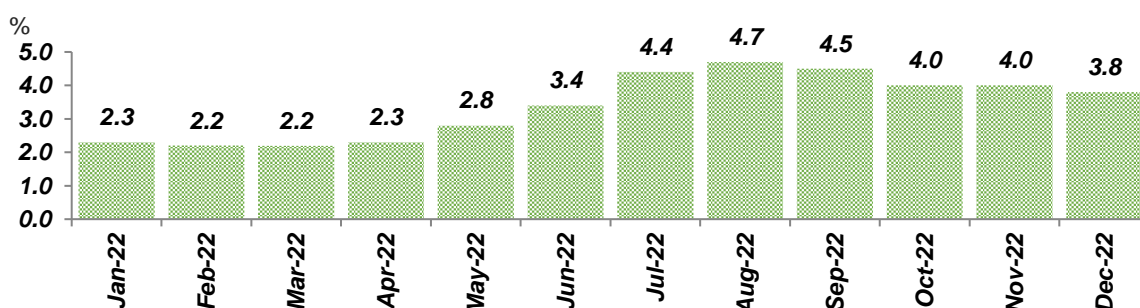


Table 1 Headline Inflation, Inflation without Fuel and Core Inflation, Malaysia, 2021 & 2022

Main Group	Headline Index		Inflation without Fuel		Core Inflation	
	2021	2022	2021	2022	2021	2022
Total	2.5	3.3	1.2	3.2	0.7	3.0
Food & Beverages	1.7	5.8	1.8	5.7	1.3	5.8
Alcoholic Beverages & Tobacco	0.5	0.5	0.5	0.5	-	-
Clothing & Footwear	-0.4	0.1	-0.5	0.1	-0.4	0.1
Housing, Water, Electricity, Gas & Other Fuels	1.5	1.8	1.6	1.8	0.6	1.4
Furnishings, Household Equipment & Routine Household Maintenance	1.6	3.5	1.6	3.6	1.6	3.5
Health	0.4	0.7	0.4	0.7	0.4	0.7
Transport	11.0	4.7	0.2	4.3	0.7	5.6
Communication	0.0	0.0	0.0	0.0	0.0	0.0
Recreation Services & Culture	0.4	2.3	0.5	2.2	0.4	2.3
Education	0.2	1.1	0.2	1.1	0.2	1.1
Restaurants & Hotels	0.4	5.0	0.3	5.0	0.4	5.0
Miscellaneous Goods & Services	0.5	2.0	0.5	2.0	0.5	2.0

Chart 3 Distribution of Inflation by Quadrant, 2021 & 2022

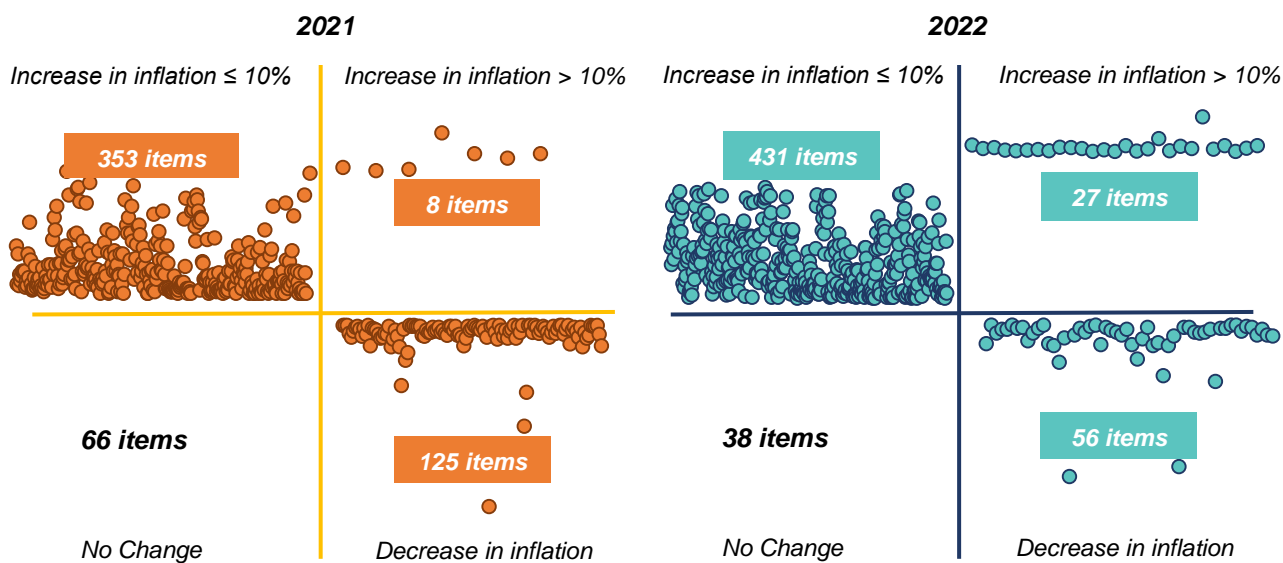


Chart 4 Distribution of Inflation for Food and Non-Food, 2021 & 2022

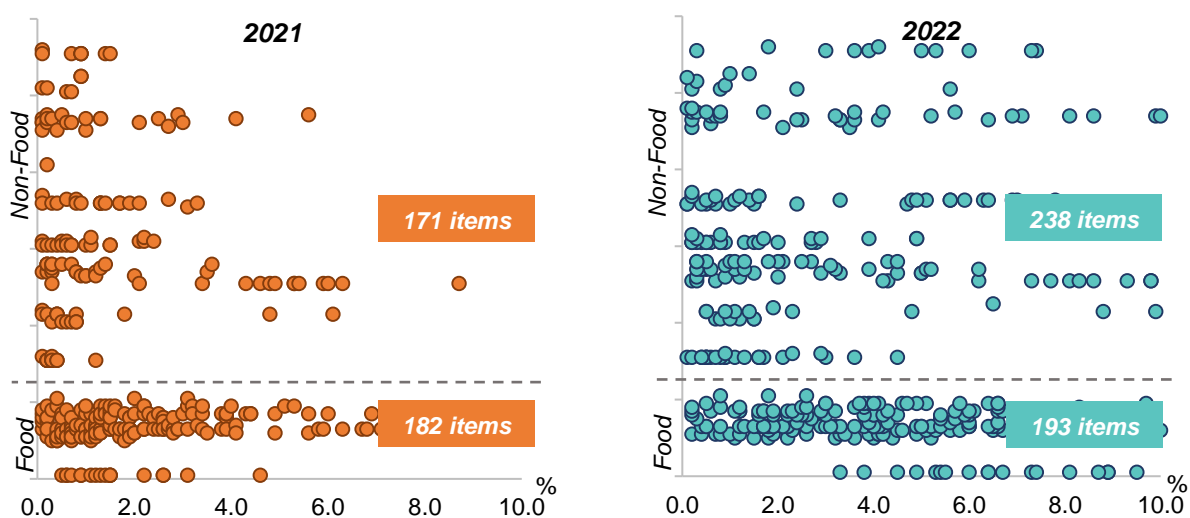


Chart 5 Time Series of Inflation for Urban & Rural Areas, Malaysia, 2011 - 2022

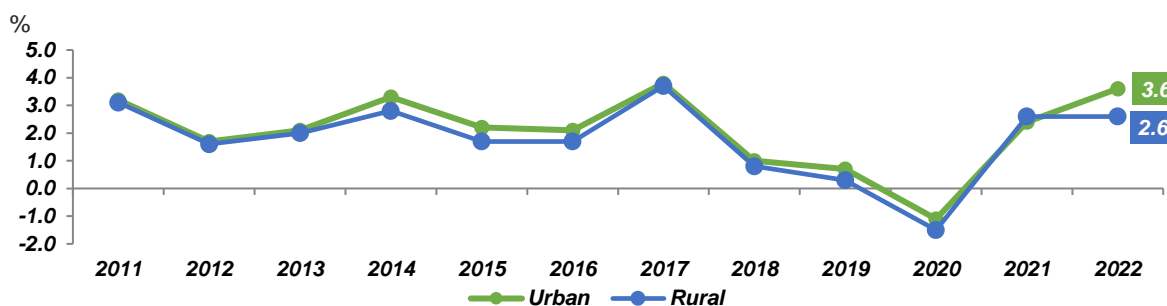


Chart 6 Headline Inflation and Inflation for Income Group Below RM3,000, 2011 - 2022

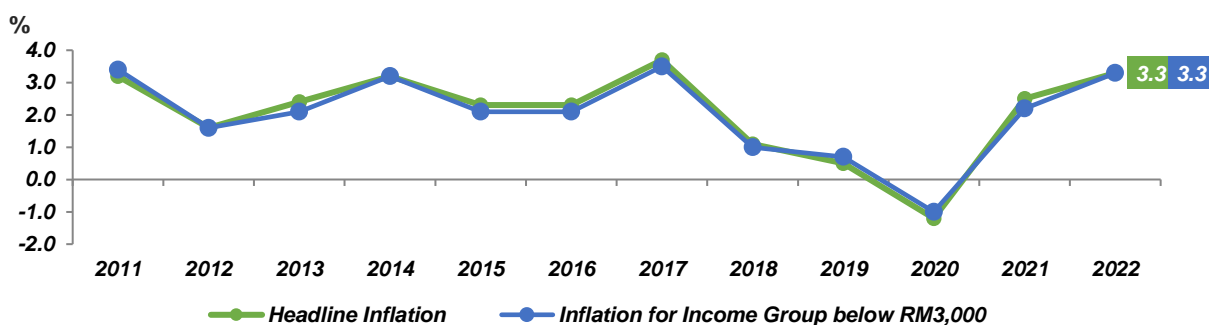


Chart 7 Selected Food Inflation for Income Group Below RM3,000, 2011 - 2022

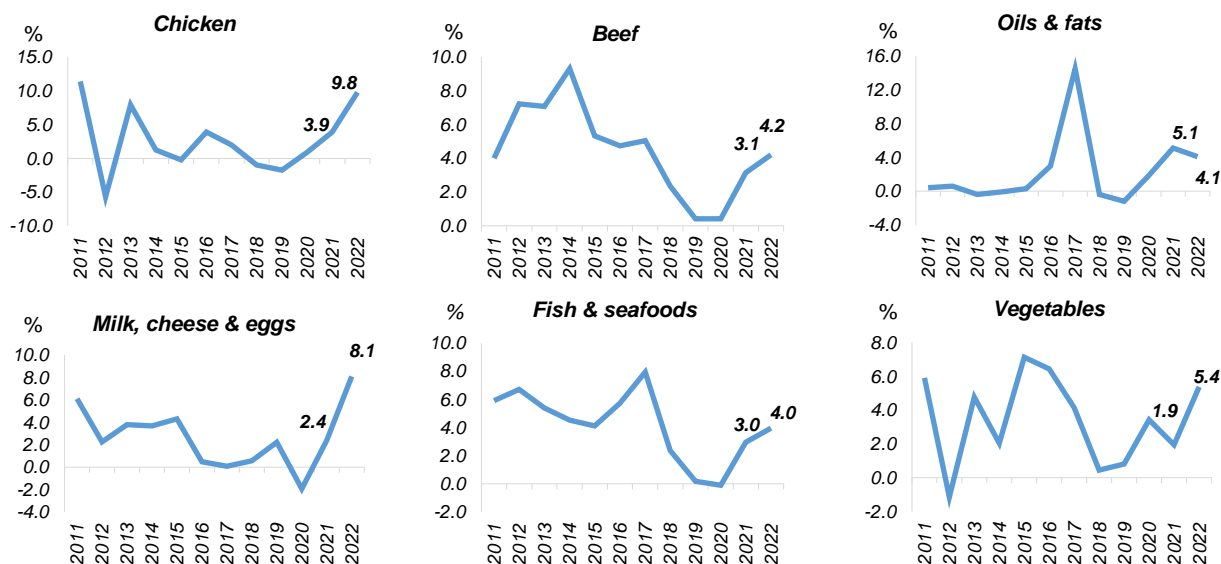


Chart 8 Inflation by State, 2021 & 2022

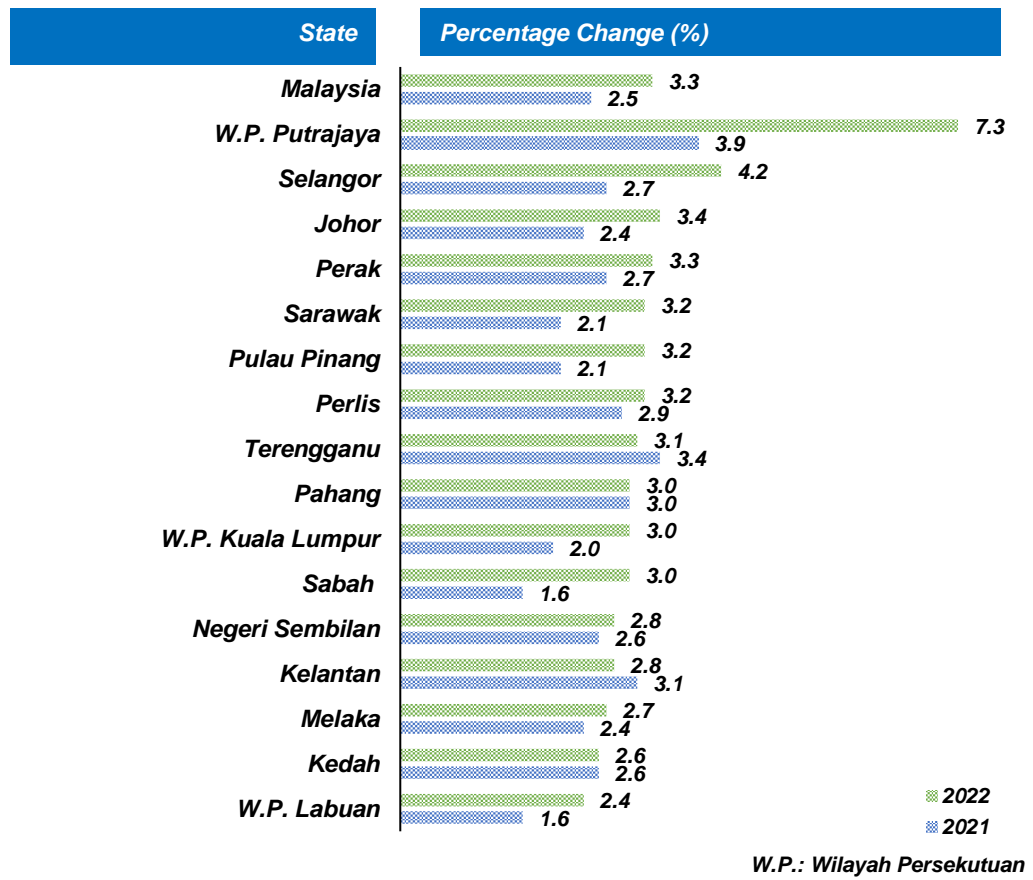


Chart 9 Inflation in ASEAN Countries, 2022

