

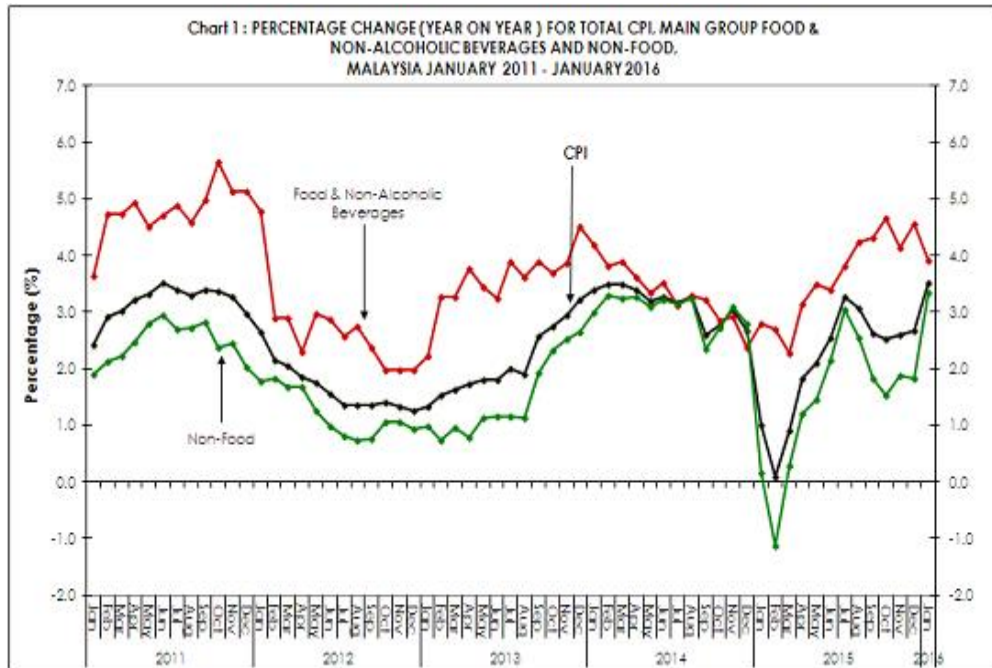


PRESS RELEASE

CONSUMER PRICE INDEX MALAYSIA JANUARY 2016

The Consumer Price Index (CPI) for January 2016 increased by 3.5 per cent to 114.5 compared with 110.6 in the same month last year. The rise in the CPI was due to increases in all twelve major groups. Among the major groups which recorded increases were the index for Alcoholic Beverages & Tobacco group by 22.6 per cent; Miscellaneous Goods and Services (+5.5 per cent); Health (+4.6 per cent); Restaurants & Hotels (+4.5 per cent); Furnishing, Household Equipment & Routine Household Maintenance (+4.1 per cent) and Food & Non-Alcoholic Beverages (+3.9 per cent).

The index for Food & Non-Alcoholic Beverages (weight: 30.2) rose 3.9 per cent on a year-on-year basis in January 2016. Meanwhile, the index for Non-Food (weight: 69.8) recorded an increase of 3.4 per cent (Chart 1 and Table 1).



Monthly Changes for CPI

When compared with the previous month, CPI for January 2016 decreased 0.3 per cent to 114.5 from 114.8. Of the twelve major groups, nine recorded an increase, while three main groups registered decreases in January 2016, namely Transport (-2.9 per cent); Communication (-2.4 per cent) and Alcoholic Beverages and Tobacco (-0.1 per cent)

Based on a seasonally adjusted term, the CPI for January 2016 decreased by 0.3 per cent as compared to December 2015 (Table 1).

Table 1 : Consumer Price Index for Main Groups, Malaysia (2010=100)

Main Group	Wt.(1)	Index	Year-on-Year Percentage Change		Month-on-Month Percentage Change		Seasonally Adjusted Index	
		Jan 2016	Dec 2015/ Dec 2014	Jan 2016/ Jan 2015	Dec 2015/ Nov 2015	Jan 2016/ Dec 2015	Jan 2016	% Change Jan 2016/ Dec 2015
TOTAL	100.0	114.5	2.7	3.5	0.0	-0.3	114.5	-0.3
Food & Non-Alcoholic Beverages	30.2	122.3	4.6	3.9	0.7	0.6	121.5	-0.2
Alcoholic Beverages & Tobacco	2.9	165.0	22.8	22.6	1.7	-0.1	165.0	-0.1
Clothing & Footwear	3.3	99.0	0.8	0.4	-0.1	0.2	99.0	0.2
Housing, Water, Electricity, Gas & Other Fuels	23.8	113.0	2.5	3.1	0.0	0.2	113.1	0.2
Furnishings, Household Equip. & Routine Household Maintenance	3.8	111.2	4.2	4.1	0.1	0.3	111.2	0.3
Health	1.7	116.8	4.6	4.6	0.3	0.3	116.8	0.3
Transport	13.7	104.8	-6.2	0.6	-2.3	-2.9	104.8	-2.9
Communication	5.2	98.1	3.3	0.9	-0.1	-2.4	98.1	-2.4
Recreation Services & Culture	4.9	107.7	2.6	2.3	0.0	0.1	107.7	0.1
Education	1.1	114.0	2.6	2.6	0.3	0.7	113.9	0.1
Restaurants & Hotels	2.9	123.9	4.7	4.5	0.2	0.1	123.9	0.1
Miscellaneous Goods & Services	6.5	112.0	5.4	5.5	-0.2	0.4	112.0	0.4
Non-Food	69.8	111.1	1.8	3.4	-0.3	-0.7	111.1	-0.7

Note: ⁽¹⁾ From the release of Consumers Price Index: January 2016 onwards, the weights used in the index are based on the Household Expenditure Survey 2014

The 0.6 per cent increase in the index for Food & Non-Alcoholic Beverages in January 2016 compared with the previous month was the result of an increase in the index for Food At Home by 0.7 per cent, followed by index for Food Away From Home and index for Coffee, Tea, Cocoa & Non-Alcoholic Beverages which increased by 0.6 and 0.2 per cent respectively (Table 2)

Among the food items which recorded notable increases in January 2016 compared with the previous month were **Watermelon (+11.1 per cent)**; **Cuttlefish (+7.7 per cent)**; **Chicken (+6.5 per cent)**; **Round Scad (Fish) (+4.6 per cent)**; **Garlic (+4.5 per cent)**; **Prawn (+3.0 per cent)**; **Indian Mackerel (Fish) (+2.3 per cent)**; **Crabs (+1.3 per cent)** and **Shallots (+1.1 per cent)**.

Meanwhile, the index of some food items decreased in January 2016 compared with the previous month. Among these food items were Spinach (-17.5 per cent); Choy Sum (-15.5 per cent); Hen's Egg (-3.8 per cent); Carrots (-2.3 per cent); Ginger (-2.0 per cent) and Onion, Big (-1.6 per cent).

Table 2 : Consumer Price Index for Sub-Groups of Food and Non-Alcoholic Beverages, Malaysia (2010=100)

Sub-Groups	Wt. ⁽¹⁾	Index	Year-on-Year Percentage Change		Month-on-Month Percentage Change	
		Jan 2016	Dec 2015/ 2014	Dec Jan 2016/ 2015	Jan Dec 2015/ Nov 2015	Jan 2016/ Dec 2015
Food & Non-Alcoholic Beverages	30.2	122.3	4.6	3.9	0.7	0.6
Food	29.0	122.9	4.6	4.0	0.8	0.7
Food At Home	17.9	122.3	4.7	3.6	1.1	0.7
Rice, Bread & Other Cereals	3.7	108.0	2.0	1.8	0.2	0.2
Meat	2.8	122.1	3.3	6.1	2.8	3.2
Fish & Seafood	4.3	136.1	5.7	6.0	0.3	2.3
Milk & Eggs	1.6	122.8	1.1	-0.3	0.4	-0.6
Oils & Fats	0.5	101.9	0.9	0.7	0.1	-0.1
Fruits	1.1	126.2	6.5	6.7	1.1	1.5
Vegetables	2.4	122.9	12.0	-0.1	3.4	-3.9
Sugar, Jam, Honey, Chocolate & Confectionary	0.6	134.1	1.9	3.4	0.0	1.5
Food Products n.e.c	0.9	123.0	6.3	6.4	0.8	0.4
Food Away From Home	11.1	123.8	4.4	4.7	0.2	0.6
Coffee, Tea, Cocoa & Non-Alcoholic Beverages	1.2	111.6	3.1	3.1	-0.2	0.2

Note: ⁽¹⁾ From the release of Consumers Price Index: January 2016 onwards, the weights used in the index are based on the Household Expenditure Survey 2014

Core Inflation

Core inflation also rose 3.6 percent in January 2016 compared to the same period of the previous year (Table 3). Core inflation differs from overall CPI (headline CPI) in that it is calculated by excluding prices for goods and services that are subject to fluctuations which considered transitory in nature and do not have a lasting impact on the underlying trend in inflation. These include nine of the CPI's most volatile items of fresh food, as well as administered prices of goods and services. Core inflation measures are used as operational guides for monetary policy in assessing the direction of inflation.

Table 3 : Headline CPI and Core Index by Main Groups, Malaysia (2010=100)

Group	Wt. ⁽¹⁾	HEADLINE CPI			CORE INDEX	
		Index Jan 2016	Percentage Change		Core Index	Percentage Change
			Jan 2016/ Dec 2015	Jan 2016/ Jan 2015	Wt.	Jan 2016/ Jan 2015
TOTAL	100.0	114.5	-0.3	3.5	100.0	3.6
Food & Non-Alcoholic Beverages	30.2	122.3	0.6	3.9	26.3	4.1
Alcoholic Beverages & Tobacco	2.9	165.0	-0.1	22.6	-	-
Clothing & Footwear	3.3	99.0	0.2	0.4	4.6	0.4
Housing, Water, Electricity, Gas & Other Fuels	23.8	113.0	0.2	3.1	26.8	3.5
Furnishings, Household Equipment & Routine Household Maintenance	3.8	111.2	0.3	4.1	5.2	4.1
Health	1.7	116.8	0.3	4.6	2.3	4.5
Transport	13.7	104.8	-2.9	0.6	6.7	3.8
Communication	5.2	98.1	-2.4	0.9	7.2	0.9
Recreation Services & Culture	4.9	107.7	0.1	2.3	6.6	2.2
Education	1.1	114.0	0.7	2.6	1.5	2.6
Restaurant & Hotel	2.9	123.9	0.1	4.5	3.9	4.5
Miscellaneous Goods & Services	6.5	112.0	0.4	5.5	8.9	5.5

Note: ⁽¹⁾ From the release of Consumers Price Index: January 2016 onwards, the weights used in the index are based on the Household Expenditure Survey 2014

Updating the Consumer Price Index Basket

The “basket” of goods and services of CPI has been updated based on the Household Expenditure Survey conducted for twelve reference months from January to December 2014. Prior to this, the “basket” of goods and services is based on the Household Expenditure Survey conducted from April 2009 to March 2010. Updating of the “basket” of goods and services is undertaken to ensure the statistics reflect the current patterns in consumer expenditure.

During this updating "basket" exercise, the CPI basket weights for individual items, classes and higher level aggregates are updated. Subsequently, the weights are then expressed at the prices of December 2015 in order to chain indices across the old and new baskets. The period of December 2015 is called the link month.

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