

## Inflation in June 2022 increased slightly from the previous month

Mr. Ronnarong Phoolpipat, the director-general of TPSO indicated that the CPI in June 2022 was at 107.58 (the year 2022 = 100) and it was at 106.62 in May 2022. The CPI increased slightly by 0.90 percent (MoM), decelerating from an increase of 1.40 a month earlier. Thus, the headline inflation was 7.66 percent (YoY). A slower momentum of inflation was partly due to government measures, as well as retail price freeze in collaboration with manufacturers to ease the burden on rising costs of living. Meanwhile, these measures have been operated by ensuring mutual benefits for all parties including farmers, manufacturers, and consumers.

However, the main drivers of headline inflation in this month rally remained energy prices including fuel, electricity, and liquefied petroleum gas (LPG), resulting in the largest contribution of 61.83 percent to the headline inflation. In addition, price rise reflected the low base effects from the last year. The consumer price index in June 2021 was 99.93 lower than 107.58 in June 2022. For these main reasons, the inflation in June rose to 7.66 percent.

The important products which led to the inflation of 7.66 percent (YoY) were:

- **Energy products:** their prices increased by 39.97 percent, resulting in the contribution of 61.83 percent to the headline inflation. The prices of fuel, electricity and LPG increased by 39.45, 45.41 and 12.63, respectively.
- **Food and Non-alcoholic beverage products:** their prices increased by 6.42 percent, resulting in the contribution of 34.27 percent to the headline inflation. The higher prices of food products (such as pork, chicken, eggs, and seasoning) have been driven by the hidden costs of energy in food production and logistics.
- **Other products:** their prices had a contribution of 3.9 percent to the headline inflation. Examples of products that experienced higher prices included cleaning stuff, tobaccos, and alcoholic beverages, while public transportation costs had a limited increase.

Other products of which prices dropped included:

- **Rice, flour, and starch products:** their prices decreased by 2.73 percent, especially for rice, due to high yield and supermarkets' promotions.
- **Fruit products:** their prices (such as rambutan, mangosteen, and longkong) decreased by 2.53 percent following their high yields.
- **Communications:** their prices (such as telephone services) decreased by 2.73 percent.

Inflation in the 3<sup>rd</sup> quarter of 2022 tends to expand, close to a level recorded in the previous quarter. The Ministry of Commerce will closely monitor the situation.

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