



Headline Inflation

March 2025

increased by 0.84% (YOY)

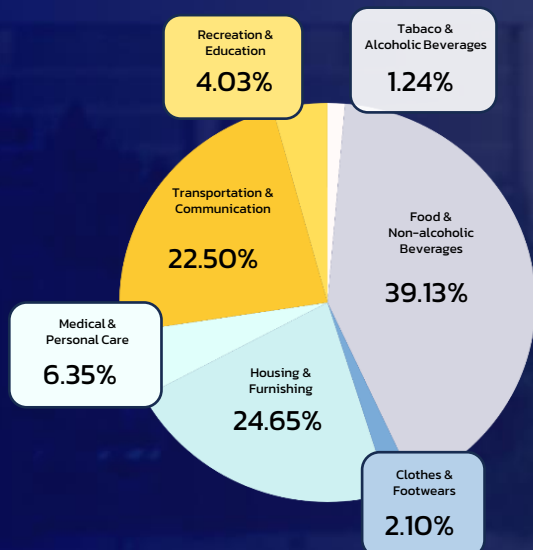
Headline CPI				
	Index	%MoM	%YoY	%AoA
March 2025	100.35	-0.20	0.84	1.08
February 2025	100.55	-0.02	1.08	1.20

Core CPI				
	Index	%MoM	%YoY	%AoA
March 2025	101.12	-0.13	0.86	0.89
February 2025	101.25	0.17	0.99	0.91

Consumer Price Index (CPI) in March 2025 was at 100.35. Compared to the same month a year earlier, **the inflation rate increased by 0.84% (YoY)**, primarily driven by rising prices in non-alcoholic beverages, meat, and prepared foods. Additionally, higher prices of diesel and housing rent were key contributing factors. Meanwhile, the CPI compared to the previous month declined by 0.20% (MoM), mainly due to the decrease in significant items such as electricity costs, following the government's cost-of-living relief measures, and egg prices, which dropped due to lower demand during the school break while production increased under favorable weather conditions. Additionally, gasohol and gasoline prices declined in line with the global energy market, along with some personal care products, which saw price reductions due to marketing promotions by businesses. For Q1 2025, compared to the same quarter in the previous year, inflation increased by 1.08%.

Meanwhile, core inflation, which excludes fresh food and energy prices, increased by 0.86% (YoY). On a month-to-month basis, core inflation decreased by 0.13% (MoM). For Q1 2025, core inflation increased by 0.89% compared to the same period last year.

WEIGHT



Inflation Outlook for Q2 2025

The overall inflation rate in Q2 2025 is expected to decline from Q1 2025, driven by several factors:

- (1) Government measures to alleviate living costs are expected to continue.
- (2) Fresh vegetables and eggs had a high base price in the previous year, while favorable weather conditions in 2025, compared to 2024, are expected to improve agricultural output and increase supply.
- (3) A decline in Dubai crude oil prices in the global market, which is lower than the previous year, is expected to lead to a decrease in domestic gasohol prices.
- (4) Marketing promotion activities by major businesses to align with the government's economic stimulus measures.

However, factors contributing to upward inflationary include:

- (1) High prices of upstream agricultural raw materials, particularly horticultural products such as coconuts, coffee, and oil palm, leading to increased prices of finished products such as coconut milk, coffee, and vegetable oil.
- (2) Processed and ready-to-eat food prices remain high due to rising costs of certain raw materials.