

19 DEC 1996

CPI UP 3.5 PCT IN JAN-NOV 1996

KUALA LUMPUR, Dec 19 (Bernama) -- Malaysia's Consumer Price Index (CPI) for January to November this year rose by 3.5 percent to 106.6 compared with the same period in 1995.

For November, the CPI, which is a measure of inflation, increased by 3.3 percent to 108.2 from November, 1995, while compared with the previous month, the CPI was up by 0.5 percent, the Statistics Department, said here today.

The 3.5 percent increase in the CPI in the first 11 months of this year was due the increase in the indices of all main groups except for clothing & footwear which declined by 0.7 percent.

Notable among those increases was food which rose by 5.7 percent while other increases were medical care & health expenses (3.6 percent), recreation, entertainment, education & cultural services (3.4 percent), gross rent, fuel & power (3.3 percent).

Others included miscellaneous goods & services (2.6 percent), beverages & tobacco (2.2 percent), transport & communication (1.5 percent) and furniture, furnishing & household equipment and operation (1.3 percent).

The two main groups, food and gross rent, fuel & power together accounted for the 77.9 percent of the overall increase by 3.5 percent of the CPI recorded in the current period.

The 5.7 percent increase in the index of food to 110.7 in Jan-Nov 1996 from 104.7 in the previous corresponding period was the result of 6.0 percent rise for food at home coupled with an increase of 5.1 percent for food away from home.

All sub-groups of food at home recorded increases during the period with higher increases shown by fish by 12.0 percent and rice, bread & other cereals by 7.4 percent.

Other increases recorded were for other foods which rose by 4.5 percent, milk & eggs increase by 3.9 percent, meat surged by 3.8 percent, fruits & vegetables increased by 3.2 percent, sugar added by 0.9 percent, coffee & tea was up by 0.5 percent while oils & fats rose by 0.4 percent.

Compared with October 1996, the CPI for November this year rose by 0.5 percent which was a result of increases in five main groups, clothing & footwear which rose by 1.5 percent, food increased by 0.9 percent, gross rent, fuel & power added by 0.4 percent, transport & communication rose by 0.4 percent and miscellaneous goods & services surged by 0.2 percent.

The indices for furniture, furnishings & household equipment and operation, beverages & tobacco and medical care & health expenses remained unchanged at 103.9, 105.3 and 108.0, respectively whereas recreation, entertainment, education & cultural services decreased by 0.1 percent.

In November 1996, the index for food at home increased by 1.2 percent whereas the index for food away from home rose by 0.3 percent resulting in an overall increase of 0.9 percent in the food index.

During the month, six sub-groups of food at home recorded increases which included fish (2.1 percent), meat (1.9 percent), fruits & vegetables (1.7 percent), other foods (0.5 percent), milk & eggs (0.2 percent) and coffee & tea (0.2 percent).

The indices for rice, bread & other cereals and sugar remained stable at 112.2 and 101.7, respectively while oils & fat declined by 0.3 percent.

A reclassification of items according to their durability and services rendered showed increases in semi-durable goods (1.0 percent), non-durable

goods (0.7 percent) and services (0.5 percent) while the index for durable goods declined by 0.1 percent. -- BERNAMA

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HASHIMOTO'S VISIT TO BOOST M'SIA-JAPAN TIES

KUALA LUMPUR, Dec 19 (Bernama) -- Speedier transfer of Japanese technology and the expansion of ties beyond economics are among the key issues expected to be discussed during Japanese Prime Minister Ryutaro Hashimoto's visit here next month, diplomatic sources said today.

The sources said although Japanese companies have been steadily carrying out technology transfer to Malaysia, the Malaysian government feels that the pace needs to be quickened, especially with the country moving into hi-tech industries.

"Many Japanese corporations have been upgrading their local production here, and some have established research and development facilities, but more can be done," said a source.

Hashimoto, who succeeded Tomiichi Murayama as Prime Minister in January this year, is scheduled to visit Kuala Lumpur as part of a five-nation Asean tour. The dates have yet to be finalised but the visit is expected to take place during the second week of next month after Japan's long new year holidays.

The sources said Japan is keen to enlarge bilateral relations beyond the traditional economic agenda to include cultural and educational exchanges as well as dialogue on various subjects of mutual concern.

Malaysia-Japan ties, spanning over the past few decades, have been significantly strengthened by Prime Minister Datuk Seri Dr Mahathir Mohamad's "Look East Policy."

Statistics obtained by Bernama show that since the launch of the policy in 1981, 2,065 Malaysian students and 2,417 Malaysian industrial trainees have been sent to Japan.

Japan is Malaysia's largest trading partner with imports by Japan totalling RM23.6 billion against exports to Malaysia worth RM53.1 billion last year.

Malaysia's trade deficit with Japan is, however, shrinking rapidly, with the gap for the first nine months of 1996 contracting by 75 percent.

As for Japan's direct investment, a total of US\$578.1 million (RM1,445.25 million) was invested last year, and 1,346 Japanese companies (722 manufacturing and 624 non-manufacturing) were in operation in Malaysia as at end of June 1996.-- BERNAMA

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