

Disrupted distribution to push up Indonesia's inflation in January: central bank

RTA, Jan. 18 (Xinhua) -- Heavy rain that caused flood in almost all Indonesian provinces, mostly the capital city Jakarta, has been disrupting goods and services distribution and will impact inflation in short term.

Assistant Governor of central bank Perry Warjiyo said on Friday that heavy rain since early January has caused flood and disrupted distribution in goods and services. Meanwhile, supplies remained stable.

"There is an indication that inflation in January will increase from previous month, but it won't be so high," he said.

Central bank or Bank Indonesia predicted inflation in January will reach around 0.9 percent or nearly 1 percent. "But it is just temporary impact," he said.

Meanwhile, the central bank predicted that in February-June period, inflation would drop especially due to rice harvest during that period.

He predicted inflation will reach 4.9 percent or not higher than 5 percent, in 2013.

According to Central Statistic Agency (BPS) data, inflation in December reached 0.34 percent month to month, while year to date inflation reached 3.86 percent and year on year reached 3.86 percent. Food prices that remain lower in December helped to keep inflation down.