

Tokyo inflation slows in August as utility subsidies resume



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Consumer inflation in Tokyo eased in August, driven largely by the government's decision to reinstate utility subsidies, official data showed Friday.

According to preliminary figures from the Ministry of Internal Affairs, the capital's core consumer price index (CPI), which excludes volatile fresh food, rose 2.5 percent from a year earlier. This was down from July's 2.9 percent increase.

Electricity prices declined 6.5 percent year-on-year, while city gas prices fell 6 percent, reflecting the impact of the subsidies, which were reintroduced in July to offset higher seasonal demand during the summer.

In contrast, food prices excluding fresh produce continued to climb, rising 7.4 percent in August.

The increase was fueled by higher rice prices, which surged 67.9 percent compared to last year.

While this marked a slowdown from the 81.8 percent rise recorded in July, costs remain sharply elevated.

Tokyo's inflation figures are closely watched as an early indicator of national price trends.

Economists note that while subsidies have helped cool utility costs, persistent food inflation highlights ongoing pressure on households.

The government is expected to continue balancing inflation control measures with efforts to support economic recovery.