
The Implications of Covid-19 Pandemic on Consumer Burden in Malaysia: An Analysis

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Abstract - The effects of Covid-19 are continuing to increase around the world as the pandemic claims millions of lives. Malaysia is no exception and has been remarkably affected by the pandemic. Apart from the number of people who are or have been infected with this virus, millions of people are directly or indirectly facing many challenges to their living. The challenges include increased cost of living, income reduction or losses, decreased purchasing power, and unemployment, along with other societal issues created by the pandemic. This study contextualised the implications of the pandemic on consumers' burden in Malaysia, focusing on the cost of living and unemployment. Observations on prices, inflation, and unemployment rates were conducted to provide meaningful evidence. Major findings revealed that the cost of living has risen, contributed by the increase in prices, especially for food items, healthcare, and education. The unemployment rate also expanded due to the lockdown measures, which led to income losses and reduction. The Covid-19 pandemic has brought challenges to the consumers as measures taken to curb the pandemic have altered many aspects of life and increased the consumers' burden. Although the inflation rate remains manageable, a major concern lies in many people's income reduction or income losses. This study implies that the government, together with private institutions and NGOs, needs to work hand in hand to minimise the consumers' financial burden, especially during this pandemic. It is hoped that the discussion presented in this paper would shed light on the impact of the pandemic on consumers' burden in Malaysia.

Keyword - consumer burden, pandemic, Covid-19, cost of living, unemployment

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I. Introduction

Globally, Covid-19 had infected over 213 million of the world's population and caused death to almost 4.5 million people as of mid-August 2021 (WHO, 2021). Vaccination programmes have been accelerated in most countries, which recorded up to 4.6 billion doses administered across the world. Although a few countries have reached herd immunity and opened up their economic sector as usual, there are still many more countries where Covid-19 cases are on the rise and worrying. Figure 1 portrays some countries with the highest Covid-19 cases in 6 continents for the past year. Malaysia is also in the list of countries with high cases in Asia, albeit the government's enforcement of Movement Control Order (MCO) implemented since March 2020. With this policy, the government is trying to prohibit people from large gatherings, reduce working in limited and close space, shorten the working hours for certain sectors and areas, restrict interstate travel, and close the international borders. These interventions pose a significant impact on socio-economic activities, leading to some people losing their jobs or have an income reduction.

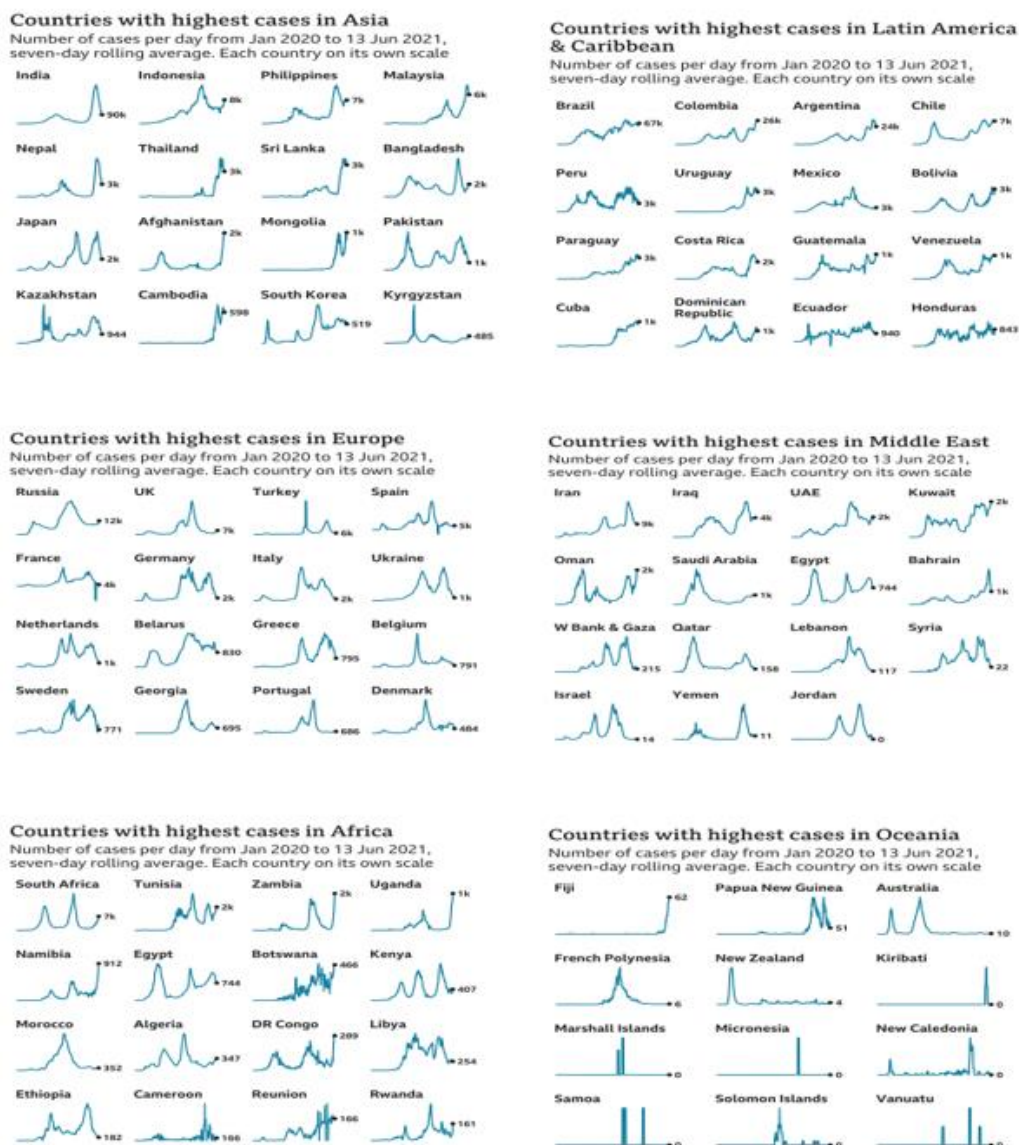


Figure 1: Countries with highest cases of Covid-19 in each continent until June 2021
Source: John Hopkins University, Coronavirus Resource Center (2021)

Amidst the tough economic condition originated from the pandemic, many people need to cope with the cost of living, which seems to not be in the same trend with their income. This misalignment is due to the fact that many Malaysians have a reduction in income as employers implemented cost-cutting measures (Azahar, 2021). Besides, more than 100,000 Malaysians have lost their jobs in various sectors from March to December 2020, while another 25,000 workers have been laid off up until April 2021 (MOHR, 2021). These numbers may keep increasing since the government still needs to implement the MCO in most states to curb the pandemic at the national level. From another perspective, the cost of living has also increased consistently with the expansion in average food prices (Yunus, 2021). Moreover, Che Sulaiman, Sanusi and Muhammad (2020) pointed out some contributing factors for the rising cost of living, which can be viewed from the perspective of price changes, income changes, and household consumption expenditure patterns. Further, this pandemic and the subsequent lockdown triggers shock to both demand and supply (Baqae & Farhi, 2020). The effect of supply chain disruptions, physical distancing, and interstate movement restrictions on labour supply could lead to upward cost-push inflationary pressures due to higher cost of productions. Similarly, the initial lockdown had shifted the demand patterns, which, if permanent, could alter firms' degree of market power and consequently impact the equilibrium inflation (Maojun & Abdul Ghani, 2020).

Worsening the condition, inflation in the country has risen to a certain extent, although still manageable. Figure 2, for example, shows the inflation rate in Malaysia for the past three years. The graph illustrates negative inflation right after the first phase of MCO implementation from March until December 2020, probably due to declining demand for goods and services, before showing an increasing trend starting from 2021 with the highest rate recorded in April. Consistently, the Consumers Price Index (CPI) that measures changes in the prices paid by consumers for a basket of goods and services has shown an increasing trend for the past year, including the food and non-alcoholic beverages items (DOSM, 2021). It is important to observe food prices in the CPI as it affects all consumers regardless of income levels and jobs. Besides the higher prices for necessities, consumers are also facing a higher burden as issues related to the cost of living are extended beyond prices, including stagnant income growth, upswing household debt, and unaffordable housing (Azahar, 2021). Accordingly, the rising cost of living and the loss of income put Malaysian consumers into a deeper financial burden.

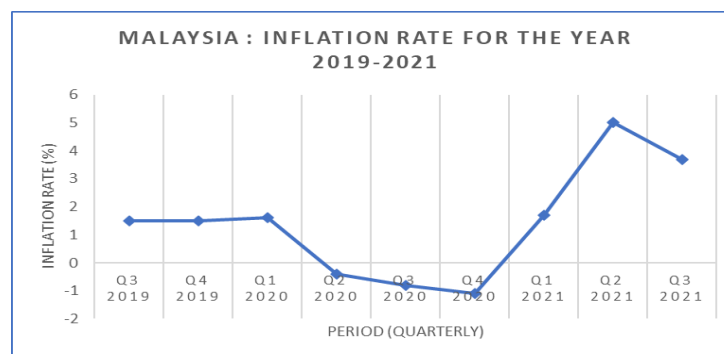


Figure 2: Inflation rate in Malaysia July 2018-Jun2021

The concern on the rising consumer burden resulting from the pandemic should grab further attention from the government and authorities. However, detailed insights on the implications of the Covid-19 pandemic at the consumers' or household level are lacking, especially among the low and middle-income countries (Janssens et al., 2021). This gap motivated this study to examine the impacts of the Covid-19 pandemic on consumer burden in Malaysia. The objective of this paper is twofold. First, the study intended to review the current state of consumer burden in Malaysia, specifically after the country had to implement a few stages of MCO. Secondly, the study examined the impact of Covid-19 on consumer burden by comparing the cost of living before the pandemic and after the 1st and 2nd phases of MCO. Detailed analysis was conducted on price changes of goods and services in all states in Peninsular Malaysia. Throughout this paper, the impact of the Covid-19 pandemic on consumer burden is discussed by looking at the effects on the purchasing power of the consumers and unemployment rate among the Malaysian population post MCO1 and MCO2. It is hoped that this analysis would identify factors that contribute to consumer burden and measures taken to minimise the burden, eventually providing insights for future research to delve into pandemic impact factors.

II. Literature Review

Covid-19 pandemic and impact to the Malaysian economy

The first Covid-19 case in Malaysia was detected on 25th January 2020, which was an imported case from Wuhan, China, and the first Malaysian tested positive was detected on 3rd February 2020 (Md Shah et al., 2020). Although the initial cases seemed controllable, the government needed to implement stricter enforcement, especially when the daily cases accelerated. Malaysians have experienced three waves of MCO or lockdowns with various restrictions that keep on changing depending on the current situation at particular state to contain the pandemic. The first MCO was implemented beginning 18th March 2020 until 12th May 2020 in four phases (Hashim et al., 2021). This MCO was followed by MCO 2.0 announced in January 2021 for almost half of the states in Malaysia, while MCO 3.0 began on 1st of June 2021 up until this study was undertaken.

The series of lockdowns and ongoing outbreaks, which seem far to settle (at least until this writing), pose a serious threat that definitely has a profound consequence for the economy. Malaysia's Gross Domestic Product (GDP) declined 17.1% in the second quarter of 2020 due to the MCO, compared to 0.7% growth in the first quarter (BNM, 2020). During MCO 1.0 alone, Malaysia lost RM2.4 billion a day, with a total loss of RM 63 billion up to the end of April 2020 (Hashim et al., 2021). Majid (2020) noted that the financial market was in jeopardy, possibly with a new global recession. In addition, the Chief Economist of the Ambank Group, Anthony Dass, mentioned that the negative impact of this pandemic could immediately be seen in the tourism and travel, agriculture, mining, manufacturing, and construction sectors, which forced a significant number of workers to lose their jobs while some others opted to take unpaid leave (Murugiah, 2020). For instance, the government recorded losses of RM3.37 billion in the tourism industry just within the first two months of 2020 (Dzulkiyly, 2020). Many businesses, specifically the small and medium-sized enterprises (SMEs) could not survive and require permanent shutdowns, leading people to lose income (Cheng, 2020). The situation is unfortunate considering the SMEs as the backbone of Malaysia's economy and generally judged by their competitive capabilities to survive (Musneh, Azwa Ambad & Mohd Roslin, 2021). Furthermore, a Department of Statistics Malaysia survey revealed that around 67.8% of the companies in Malaysia had no source of income during MCO 1.0, with only 9.8% earning sales from physical shops (DOSM, 2020a).

The pandemic and global lockdown affect every aspect of life (Mandal et al., 2021). It has changed the landscape of many sectors, including trade, economics, labor mobility, transport, livelihoods, food supply chains, nutrition, social safety, and farm produce (Liverpool-Tasie et al., 2020; Pu and Zhong, 2020; Reardon et al., 2020; Sharma et al., 2020; Torero Cullen, 2020). Consequently, the Organisation for Economic Co-operation and Development (OECD) declared that this pandemic has resulted in both social distress and massive economic trouble around the world (OECD, 2020). The current situation portrays the increasing consumer burden the world population needs to bear. The decision to shut down the formal and informal markets and implement strict Standard Operating Procedures (SOP) led to the increase in financial hardships at the local level and, at the same time, kindled a global downturn (Cardwell & Ghazalian, 2020). The continuous spread of the virus resulted in economic turmoil in the country because the disrupted financial markets, MCO's requirement, lockdowns, and travel restrictions substantially discouraged business activities in numerous sectors (Md Shah et al., 2020).

Understanding consumer burden in Malaysia

Consumer burden is closely associated with the cost of living and income or wages people can generate. According to Gillingham and Greenless (1987, p.777), the cost of living is the "minimum expenditure necessary to achieve a particular level of satisfaction...the cost is defined to be conditional on all the determinants of the level of satisfaction except current quantities of market goods and services." Therefore, the cost of living is influenced by both household spending patterns and the price level of goods and services consumed by households (BNM, 2015). Moreover, spending patterns vary among households determined by the household income, family structure, demography, and area of residence. In the meantime, the changes in the price level of goods and services also differ by geographical factors. As the cost of living expands, the consumer burden would also rise due to the increasing expenditures for a decent life. Despite the increasing cost of living, over which most people do not have control, consumer burden depends on the income level. As the cost of living climbs every year, the income level would determine whether or not consumers could comfortably accommodate the rising cost of living (Kamarudin, 2019).

The debate on the perceived expansion in the cost of living and overall well-being among consumers in Malaysian has been frequently expressed in the mass media, private conversations, and public policy discussions. The growing concern started at least from the fuel subsidy rationalisation in December 2014 and was aggravated

in 2015 by the introduction of goods and services tax (GST) (Kamarudin, 2019; World Bank, 2020). The issue was softened a little bit when the government cancelled the GST in 2016, albeit the main trouble regarding consumer burden extending beyond prices. Other influences, such as income growth and household debt that determine discretionary income and savings, also need to be considered. Viewing consumer burden from the household perspective, the World Bank (2020) identified four factors that contribute to the household's ability to accommodate a decent life. These factors are consumer price inflation (associated with income and location), insufficient income, declining financial well-being, and low opportunity for affordable housing. This fact builds the foundation that consumer burden affects individual consumers differently based on a few elements, such as demographics, location, and employment. Understanding the implications of the Covid-19 pandemic on consumer burden along these lines is crucial to enable the identification of measures that could be taken to minimise the consumer burden (World Bank, 2020). Therefore, except for unaffordable housing, which is not directly impacted by the pandemic, this study reviewed the implications of the Covid-19 pandemic on consumer burden from the viewpoint of the rising cost of living, and unemployment which closely related to insufficient income and declining financial well-being.

Rising cost of living

The Covid-19 pandemic and measures taken by most governments impose a combination of disturbance on demand and supply of goods and services (Maojun & Abdul Ghani, 2020). This interaction forms a debate whether the current situation would lead to reduction in price or inflation. As illustrated in Figure 3, various global and domestic factors influence the input prices, cost of production, and consumer prices.

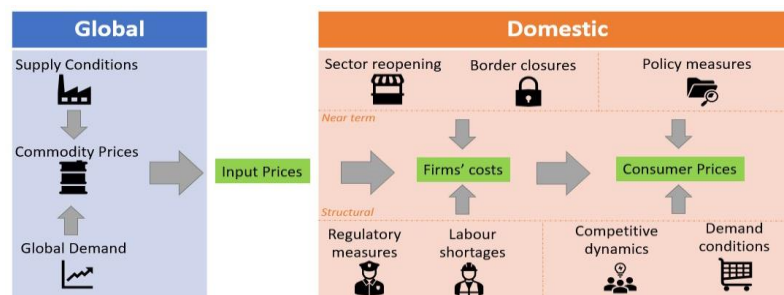


Figure 3: Global and domestic factors and their potential impact on prices
Source: Bank of England (2020)

Initially, the pandemic resulted in low or negative inflation due to the downward demand for many commodities, including global oil prices. Later on, prices of food and other goods and services rose due to export restrictions or containment of supplies from the producers. Further, more pressure was placed on prices when the producers experienced difficulties in export and distribution logistics (Maojun & Abdul Ghani, 2020). Cambodia and Vietnam, for example, are two countries that have imposed temporary export restrictions on rice to sustain adequate domestic supply, which led to the higher price of imported rice (Sulser & Dunston, 2020). Modelling by Sulser and Dunston (2020) also found that such action boosted global prices significantly, pushing millions of poor rice consumers into hunger. Furthermore, the supply chain was disrupted at the early stage of the crisis due to strict movement impositions, which put pressure on prices, especially for perishable food items (Maojun and Abdul Ghani, 2020). Evidence showed that consumers had shifted their consumption patterns towards higher consumption of food products, especially during the initial stage of MCO, as they stock-piled and consumed more food at home (DOSMb, 2020b)

Unemployment

The Covid-19 pandemic has impacted the employment landscape globally due to the worldwide shutdowns. As shown in Table 1, employment and wage income losses occur in every part of the world. Park et al. (2020) estimated that a total of 158 to 242 million jobs were lost, which is equivalent to 6.0% to 9.2% of the total world employment. Such a situation leads to global wage income losses amounting from USD1.2 trillion to USD1.8 trillion. Moreover, the pandemic not only resulted in people losing jobs permanently, but it also reduced the number of working hours due to inactivity, SOP restrictions, and cost-cutting measures. Figure 4 exhibits the composition of working hours lost by region in 2020. Although not all jobs are equally affected, those unskilled

workers, informal sector workers, women, and foreign migrant workers are substantially impacted (Sawada & Sumulong, 2021).

Table 1: Estimated Employment and Wage Income Losses Due to Covid-19 (relative to a no-Covid baseline).

	Employment (million)	Wage Income (\$ billion)
World	158.1 - 242.1	1,201.2 - 1,832.4
Developing Asia	108.7 - 166.3	347.5 - 532.8
Central Asia	1.9 - 3.0	3.4 - 5.4
East Asia	65.1 - 98.8	291.3 - 445.7
Southeast Asia	11.6 - 18.4	25.0 - 39.0
South Asia	30.0 - 45.9	27.6 - 42.4
The Pacific	0.1 - 0.2	0.2 - 0.3
United States	9.0 - 13.5	402.7 - 611.2
Europe	16.5 - 25.1	272.1 - 415.5
Rest of the World	23.9 - 37.2	178.9 - 272.9

Source: Park C.Y. et al. (2020)

In particular, workers in the informal sector with low wages and low access to social protection are heavily at risk. Regions with a high composition of informal workers, such as South Asia where at least 9 in 10 workers are in the informal sector, face a higher risk of poverty resulting from this crisis (see Figure 4). Besides, technological advancements, such as robotisation and automation, have significantly replaced manual and routine jobs, threatening some people's livelihood. The pandemic has accelerated digital transformation and automation, forcing workers to work from home or stay out of offices (Sawada & Sumulong, 2021). To add, many have reported that young workers were among the most affected group by the pandemic (Gould & Kassa, 2020; Lambovska, Sardinha & Belas Jr, 2021). The crisis pressured the youth to take whatever jobs available in the market such as in the food delivery services and online sales.

The overall unemployment rate in Malaysia was recorded at 4.8% in the first quarter of 2021, worse than the recorded 3.2% in the 4th quarter of 2019 (Nixon, 2021). Unemployment and income losses lead to increased consumer burden as people always need to maintain the basic necessities. The government measures to contain the Covid-19 pandemic in the country have affected the labour market. Consumers are experiencing a rising burden since they have to cope with the higher cost of living with reduced or no income.

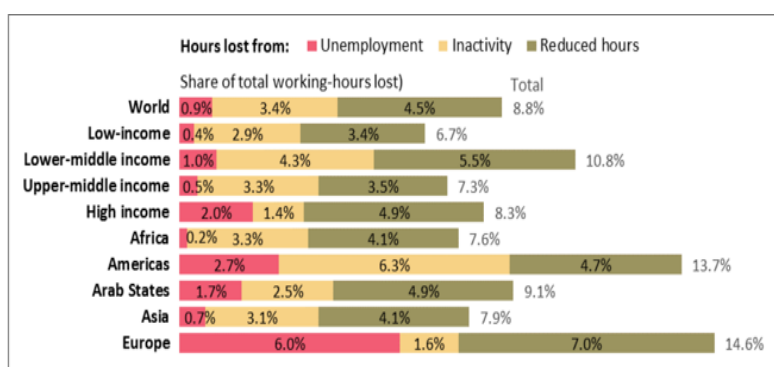


Figure 4: Composition of working hours lost by region, 2020

Source: ILO Monitor: Covid-19 and the World of Work, International Labour Organization (2021)

III. Research Design

This study adopted the observation and data comparison method, where data collection was carried out by observing the identified phenomena. It followed a structured or systematic observation from which pre-specified data were collected according to a pre-defined schedule (Dudovsky, 2016; Taha et al., 2020). The pre-specified observation data were the price of goods and services, inflation rate, and unemployment rate before the pandemic, from Q4 2018 to Q1 2020. The post-specified observation collected the same data from Q2 2020 to Q3 2021. The data was collected on a quarterly basis using the Datastream software. A comparison of the pre and post specified data was performed to see if there is any trend or direction that can explain the current phenomena. Although the pandemic is still ongoing, some observations on its impacts on economic indicators, such as the inflation rate, Consumers Price Index, and unemployment rate portrayed the short-term effects of the pandemic on these variables.

Since the pandemic seems to have a massive socio-economic impact, including the cost of living, this study examined the price of goods and services in all sub-sector categories, paying greater attention to necessity goods required by all consumers regardless of the economic situation. The data were analysed based on the increase and decrease in prices compared with Malaysia's inflation and unemployment rates before the pandemic hit until a few quarters post pandemic. Numerous secondary data from the Department of Statistics Malaysia and Central Bank of Malaysia were also employed in the discussion.

VI. Results And Discussion

2020 was the worst for businesses in Malaysia since 1987, owing in part to the Covid-19 pandemic. Retailers had already suffered from lower consumer spending prior to the MCO, as Malaysians tightened their belts in the face of a faltering economy. According to Bank Negara Malaysia (2020), the abrupt implementation of the MCO to control the spread of Covid-19 both globally and domestically caused this. The MCO significantly affected Malaysia's production and consumption activities.

Consequently, the Malaysian government launched the PRIHATIN (Prihatin Rakyat Economic Stimulus Package) worth RM250 billion in March 2020, PENJANA (National Economy Recovery Plan) worth RM35 billion in June 2020, and PEMERKASA (Program Strategik Memperkasa Rakyat dan Ekonomi) worth RM20 billion in March 2021. Apart from that, government also allowed the withdrawals made under the Employees' Provident Fund's (EPF) i-Sinar plan to boost domestic spending. These programmes aimed to help the people and sectors in need to help them deal with their financial issues and business operations in the meantime. They were also intended to assist the country's economic recovery and prosperity after the financial crisis. Meanwhile, loan moratoriums were put in place, requiring banks to assist businesses in refinancing their obligations. According to industry sources, some banks are enforcing their own standards, which could result in higher interest rates and liabilities for businesses. Malaysia is the only jurisdiction that has automatically imposed a 6-month loan suspension for debtors due to the Covid-19 epidemic. The bank moratoriums have been extremely helpful in alleviating the pressure on businesses and consumers.

Cost of living

Due to the lockdowns and social isolation, consumers' purchasing alternatives are constrained. Businesses are dealing with both a mobility shift and a mobility deficit. At home, working, learning, and shopping have all evolved and become more localised. Consumers also have more time freedom because they are not bound by pre-determined schedules for going to work, school, or shopping. Table 2 shows Malaysia's Consumer Price Index from 12 quartile observations from Q4 2018 to Q3 2021. According to the table, Malaysia's Consumer Price Index annual inflation rate dropped to 120.8 from Q4 2018 to Q1 2019. The index improved in Q2 2019, Q3 2019, Q4 2019, and Q1 2021. The economy suffered during this period since people chose to stay at home and conserve their money to meet their obligations once the moratorium ends. Since many people have been laid off, which leads to income losses and reduction, the purchasing power also dropped. As a result, product and service demand and their sales and profitability have decreased. Q3 2019 showed the highest CPI, and the average increase in the three quartiles is 0.97. The CPI declined from three Quarters in 2020 (Q2 2020, Q3 2020, and Q4 2020) after MCO1, resulting in Q2 2020 showing the lowest CPI (120.03). Q1 2021 to Q3 2021 showed an improvement in CPI. The result is consistent with PwC (2020) and The Star (2020) report that consumers have become more cautious, and their purchasing patterns have shifted.

Table 2 Malaysia Consumer Price Index

Before MCO1 (Quarterly)	CPI	Change-mean (%)	After MCO1 (Quarterly)	CPI	Change –mean (%)
Q4 2018	120.933	0.3	Q2 2020	118.2	-2.56
Q1 2019	120.8	-0.3	Q3 2020	120.033	-1.37
Q2 2019	121.3	0.64	Q4 2020	120.267	-1.53
Q3 2019	121.7	1.33	Q1 2021	122.5	0.49
Q4 2019	122.133	0.99	Q2 2021	123.133	4.17
Q1 2020	121.9	0.91	Q3 2021	123.872	3.2

The economic crisis caused by Covid-19 that affects all sectors was Malaysia's worst economic downturn since the Asian financial crisis of 1998. The country's growth market suffered a significant decline from the first quarter's 0.7% year-on-year growth (World Bank, 2020; Reuters, 2021). Both 2020 and 2021 are hard years for Malaysia. Consequently, the CPI sub sectors shown in Table 3 present alcoholic, beverages & tobacco, education, and health as improving compared to others. Housing and transport slightly dropped in their performance. There are various conceivable future scenarios for recreation and culture for meetings, events, travel, tourism, hotels, and hospitality, all of which are contingent on how the government handles the pandemic. Everything in the travel and tourism sector has been placed on hold, which means that every time the economy expands, it would contract due to a fresh wave of viruses that prevent people from travelling to other nations. This cycle creates travelling inconvenience since people must go through mandatory quarantine before being allowed to go anywhere they want. As a result, the economic crisis is exacerbated by the closure of enterprises every time the virus is discovered to be uncontrollable. Because so many sites have been closed, most individuals are unwilling to attend events or meetings. They are terrified of contracting the virus or getting detained by the authorities for going out without a good reason.

Table 3 Sub Sector Consumer Price Index Q3 2018 - Q2 2021

Subsector	Before MCO1 (Quarterly)							After MCO1 (Quarterly)				
	Q3' 18	Q4' 18	Q1' 19	Q2' 19	Q3' 19	Q4' 19	Q1' 20	Q2' 20	Q3' 20	Q4' 20	Q1' 21	Q2' 21
Alcoholic, Beverages & Tobacco	164	166.4	167.5	167.8	167.9	167.9	167.8	168.1	168.5	168.8	168.9	169.2
Food & Beverages	130.2	131.3	132.8	132.6	133.3	133.5	134.1	134.4	135.1	135.4	136.1	136.5
Clothing & Footwear	95.1	94.9	94.8	94.6	94.1	93.8	93.7	93.6	93.5	93.4	93.3	93.1
Communication	94.7	96.1	96.1	96	96	97.5	97.5	97.5	97.5	97.5	97.5	97.5
Education	118.1	118.3	119.2	119.5	119.8	120.3	120.9	120.7	121	121	121	121.1
Household	113.5	115.1	115.8	116.4	116.8	116.8	117	116.4	116.7	116.8	117.5	118.6
Health	121.3	121.4	122	122.6	122.9	123.1	123.7	124	124.3	124.4	124.5	124.7
Housing (utilities)	119.4	120	120.5	121	121.5	122	122.5	117.9	118	118.2	121.5	121.7
Recreation & Culture	109.7	111.4	111.5	111.6	111.7	112.2	112.4	112.3	112.3	112.4	112.6	113
Restaurant	129.9	130.9	131.2	131.6	132	132.3	132.6	132.4	132.1	132.3	132.5	132.8
Transport	117	117.4	112	114.6	114.6	114.8	111	93	103.1	103.5	111.6	114.4
Food	131.1	132.2	133.8	133.5	134.3	134.5	135.1	135.5	136.1	136.4	137.2	137.6

Retailers should also think about how the pandemic might affect their customers and suppliers, as well as their own operations. As shortages emerge, retailers may need to identify which products are most vulnerable and proactively manage pricing, promotions, and logistics to ensure that supply is available for as long as feasible. Retailers must focus on minimising short-term expenses, optimising choice and pricing while continuing to provide customers a reason to spend as demand declines because shoppers are tightening their belts. As the situation worsens, retailers would have to make tougher judgments about which operations, stores, and channels to keep and which will need to be temporarily shut down. Retailers might also need to limit their activities to those that directly support their day-to-day operations. This finding also agrees with The Edge's (2021) report that the industry, especially the retail industry, could take up to four years to recover.

To assist this particular industry in surviving the current crisis and safeguarding associated jobs, the government must also assist the retail sector. To begin, the government must make liquidity support available to

shops promptly and easily in order to keep them viable. Because non-essential retail activities are experiencing unprecedented decreases in demand as a result of the lockdown, liquidity assistance would help them escape a catastrophic financial crisis that could force them to close their stores. By referring to the most recent statement regarding the small business incentive, it is necessary to ensure that it is accessible to all retail firms, whether small independent stores or major chains.

Many industries are seeing large sales decline. According to a report by the World Economic Forum in 2020, consumer spending is predicted to double due to the middle-class boom by 2030. The doubling of consumer spending would have a significant impact on sales and operations in the corporate sector. However, because of increased levels of susceptibility and lesser resilience, the impact on businesses is particularly severe. Consumers, for example, prefer to buy local products over imported ones because they are more economical and convenient. Furthermore, as a result of people spending more time in quarantine at home owing to Covid-19, there would be a quick growth of certain categories of products, such as groceries and virtual training. As a result of this adjustment, shoppers went on a panic-buying spree for necessary commodities, leaving most grocery shelves empty. Those from a higher socioeconomic level who could afford it would almost certainly have access to these essentials. However, people in the lower social classes would be harmed by this panic buying situation. They might be unable to obtain these essentials and, hence, go hungry.

In this globalisation and coronavirus pandemic era, the former Prime Minister, Tan Sri Muhyiddin Yassin, had urged people to spend for Malaysia, particularly by purchasing high-quality local products, in order to rebuild and sustain the competitiveness of the Malaysian economy. The Ministry of Domestic Trade and Consumer Affairs has stated that, if required, a price ceiling would be imposed to keep food prices from rising after the MCO (The Star, 2021a). The government's attempt to urge Malaysians to support local businesses and increase consumption of local products and services is commendable because increased consumer demand would help the affected local sectors and businesses recover more rapidly. This recovery is because spending has a multiplier effect on the economy, which means that it can create jobs and so raise people's income. Therefore, the main point raised here is that the government is encouraging Malaysians to spend more despite the high cost of living following the MCO.

Table 4 exhibits the inflation rates in Malaysia from 2017 to 2020, which show a decreasing trend. Table 5 displays a more detailed monthly inflation rate for the past year to portray more current evidence of Malaysia's cost of living. The rates were negative from August 2020 to January 2021, but improved from February 2021 to July 2021, reflecting the impact of the government incentives. Compared to the previous month, Malaysia's annual inflation rate fell to 2.2% in July 2021, a decrease from 3.4% and well below the market predictions of 2.9%. As a result of the monthly electricity discount offered to domestic consumers over a three-month period from July to September, during which time the country was placed under lockdown to prevent the spread of the coronavirus, the country experienced its lowest inflation rate since March. All categories of goods and services experienced lower price increases, including housing (0.7% vs. 3.2%), transportation (11.6% vs. 16.6%), miscellaneous goods & services (0.1% vs. 0.3%), furnishings, household equipment, and routine maintenance (1.7% vs. 2.0%), education (0.1% vs. 0%), and alcohol beverages and tobacco (0.1% vs. 0.5%). Meanwhile, food inflation remained constant at 1.3%, while recreation services and cultural inflation remained unchanged (at 0.6%). Prices for restaurants and hotels, on the other hand, have continued to grow in recent months (0.7% vs 0.5%). In contrast, clothing prices have continued to plummet over the past year (-0.4% vs -0.4%). According to the Bureau of Labour Statistics, consumer prices declined by 0.6% month over month in July, reversing a 0.1% increase in June. Unless otherwise stated, this information comes from Malaysia's Department of Statistics.

Despite the government's encouragement for citizens to make more purchases to promote the economy, the cost of living after MCO is increasing. Furthermore, food prices in the wet markets are rising due to hitches in the agricultural food supply chain caused by disruptions in transit from farmers to consumers. Consumers should not make the mistake of comparing manufacturing production to farm production. This incomparability is due to the fact that agricultural foods take time to plant, grow, harvest, and produce. Therefore, it would take some time for supply to respond to demand. As a result, the true scope of the pandemic's impact on food security remains unknown. Food security is an essential subject to bring up because, according to research conducted by the Malaysian Competition Commission (MyCC) on the food supply chain, there is a lot of pricing manipulation going on at the farm, food chain, and retail levels (The Star, 2021b). They are not only affected by the price manipulation of masks during the post-Covid period, but also by the most basic need for sustenance. Within the supply chain, there have always been inherent monopolistic behaviours, which impact food costs since prices can be manipulated, especially during the MCO period, when people are panic purchasing. They are racing to buy food, but the supply is unable to meet the high demand, resulting in price manipulation.

Table 4 Inflation rate in Malaysia (yearly), 2017-2020

Before MCO1 (Yearly)	Inflation_CPI	Inflation_GDP
2017	3.87	3.78
2018	0.88	0.67
2019	0.66	0.06
2020	-1.14	-0.78

Table 5 Monthly inflation rate in Malaysia for the past year

Monthly	Inflation rate
Aug 2020	-1.4
Sept 2020	-1.4
Oct 2020	-1.5
Nov 2020	-1.7
Dec 2020	-1.4
Jan 2021	-0.2
Feb2021	0.1
March 2021	1.7
April 2021	4.7
May 2021	4.4
June 2021	3.4
July 2021	2.2

The analysis from Worldbank.org (2020) is also worrying everyone as it is reported from the poor who are vulnerable to the pandemic. If poverty is eradicated, it benefits both the individual and the country. One of the advantages is that the quality of everyone's health improves. As mentioned previously, those with lower earnings are more prone to suffer from illnesses, diseases, and impairments due to a lack of healthcare. Another advantage of eliminating poverty is that it can assist in the formation of a future generation capable of positively contributing to society and the country's development. In addition, from the perspective of the government, eliminating poverty could help save the economy because the vast sums of money spent to combat poverty can now be used for other objectives, particularly for the country's development.

Unemployment

Across advanced economies, the pandemic and MCO have resulted in high percentages of underemployment. There is a major slump in the economy at this time of crisis. Furthermore, it is sometimes linked to ongoing structural concerns, such as work reductions. As a result, it might come from a variety of places. Nevertheless, the point is that people want to do more work, but the number of jobs available is shrinking every day. Not only that, but there are also those who must be laid off in order to save money.

Table 6 shows that the unemployment rate increased from Q2 2020 to Q3 2021. The epidemic has had an impact on the economy and people's lives. The services sector, which includes a lot more face-to-face interaction, had to shut down. For example, a wide range of industries, from banking and insurance to hospitality, telecommunications, and industrial services, are adversely affected. People must adopt new standards by considering the Standard Operating Procedure (SOP), which includes physical separation, elimination of non-essential operations, and minimal contact. This SOP has created a fundamental issue for these businesses in terms of continuing to reach out to customers and meeting their expectations.

Table 6 Unemployment rate in Malaysia, Q3 2018- Q3 2021

Before MCO1 (Quarterly)	Unemployment (%)	After MCO1 (Quarterly)	Unemployment (%)
Q3 2018	3.41	Q2 2020	5.05
Q1 2019	3.33	Q3 2020	4.7
Q2 2019	3.34	Q4 2020	4.78
Q3 2019	3.27	Q1 2021	4.82
Q4 2019	3.25	Q2 2021	4.59
Q1 2020	3.46	Q3 2021	4.77

The results are also explained by the International Labour Organization (2020) that there is an unusual trend of younger and professional workers, which is most likely due to the wage subsidy gap, covering workers earning less than RM4,000. Consequently, this is one segment that would most likely be affected. Young people have lost the most jobs since February 2020 compared to workers of all ages. They are the most likely to be unemployed or underemployed, have the fewest opportunities to work from home and work in industries and occupations that have experienced the biggest employment losses in the Covid-19 labour market. While young workers have always been disadvantaged in weak economies, the current downturn has exacerbated their disadvantage. According to Key Statistics of the Labour Force in Malaysia (May 2021), underemployment rates for young workers are significantly greater than those for older workers, both in the current year and the previous year. Underemployment refers to people who are either unemployed or working part-time yet wish and are able to work full-time. In the Covid-19 labour market, more than a third of young employees are unemployed. This figure is because young employees lost more jobs during the present crisis since they worked in industries that were most affected by the Covid-19 shutdown.

According to the Malaysian Ministry of Finance, the Hiring Incentive Programme (PenjanaKerjaya) has resulted in the employment of 7,543 people, including 66 people with disabilities and 963 apprentices, as of July 24, 2020. Furthermore, as of the end of July, the Wage Subsidy Programme had assisted almost 2.6 million employees through an approved distribution of RM8.99 billion to 318,258 firms. Meanwhile, the Tekun Business Recovery Scheme has received a total of RM6.8 million in funding, which would benefit 900 micro, small, and medium businesses.

As the pandemic continues to alter the economic landscape, company models have been reinvented, resulting in shifts in employment trends. In this regard, the government's strategic investment projects may serve as a catalyst for innovation by encouraging the use of technology in cross-sectoral firms. The Global Online Workforce (GLOW) Programme, which intends to provide training for revenue generation through an online platform, would get RM25 million, among other things. The primary goal of training and development is to improve employee performance, as well as the performance of the organisation (Mohd, Julian, & Tuan Bear, 2020). Furthermore, numerous government initiatives for reskilling, upskilling, and cross-skilling programmes would have a positive influence by preparing future workers with the most in-demand skills.

VII. Conclusion

This study was conducted to examine the impact of the Covid-19 pandemic on consumer burden in Malaysia due to the rising cost of living and increased unemployment. From the perspective of prices, the initial pandemic stage resulted in decreased inflation, particularly starting from Q3 2020, consistent with a downward trend in the total CPI. However, it was also observed that, despite the contraction in the total CPI, CPI for food categories demonstrated an increasing pattern. The disruption in the food supply chain, monopolistic behaviour, and price manipulation led to price increases, especially during the lockdown when consumers tended to resort to panic buying in a few cases. As food is a necessity and people need to make daily consumption, this trend adds more burden to consumers. A similar trend is also shown in the health and education categories, following more emphasis being given to the healthcare items. People are more concerned about taking extra care of themselves due to the pandemic, while expenses on education are a must no matter how hard the pandemic hits. Furthermore, consumer burden worsened when Malaysians also faced unemployment issues following the pandemic. Evidence showed that the unemployment rate had risen significantly as measures taken to handle the pandemic forced many businesses to close permanently or temporarily. Other companies had to lessen the working hours and minimise the number of workers at the workplace. These factors led to income losses and income reduction to a significant number of consumers, reducing purchasing power and financial well-being of people. Such a situation characterises the escalating consumer burden issue among Malaysians as a consequence of Covid-19.

Realising the rising pressure on consumer burden, the government has introduced many incentives to help people cope with the pandemic and have a stable life. A series of stimulus packages, for instance, PRIHATIN, PENJANA, PEMERKASA, and the Moratorium package, is hoped to reduce the burden of consumers, especially the affected businesses and those who have been laid off. Besides, private bodies, non-governmental organisations (NGOs), and many individuals have contributed to providing food and basic items to the needy, which helped ease their burdens. With the pandemic still showing no sign of recovery, consumers need to expect to live with the current situation for quite some time. However, with increased awareness of the pandemic and many initiatives by the Malaysian government, it is hoped that the socio-economy would improve and reduce consumer burden. This study has its limitations. As the pandemic is still ongoing, this study only analysed the short-term implications on consumer burden. The study period was limited to three years. Therefore, the findings could not be generalised beyond this timeframe. A longer span might be needed to analyse the long-term impact of the pandemic on

consumer burden to provide insights to policymakers for formulating more effective initiatives to help the citizens. Future research could expand the study period and the countries to cover wider areas, such as Southeast Asia and Asia or other continents.

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