

# FBM

UITM  
CAWANGAN KEDAH

# Insights



UiTM Cawangan Kedah



UNIVERSITI  
TEKNOLOGI  
MARA

Faculty of Business  
and Management

UiTM *di hatiku*

VOLUME 5  
**2022**

eISSN 2716-599X



772716 599000

e-ISSN 2716-599X

## **FBM INSIGHTS**

**Faculty of Business and Management**

**Universiti Teknologi MARA Cawangan Kedah**

**e-ISSN 2716-599X**

The editorial board would like to express their heartfelt appreciation for the contributions made by the authors, co-authors and all who were involved in the publication of this bulletin.

Published by : Faculty of Business and Management,  
Universiti Teknologi MARA Cawangan Kedah

Published date : 27 April 2022

Copyright @ 2022 Universiti Teknologi MARA Cawangan Kedah, Malaysia.

All rights reserved. No part of this publication may be reproduced, copied, stored in any retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission from the Rector, Universiti Teknologi MARA Cawangan Kedah, Kampus Sungai Petani, 08400 Merbok, Kedah, Malaysia.

*The views, opinions, and technical recommendations expressed by the contributors and authors are entirely their own and do not necessarily reflect the views of the editors, the publisher and the university.*

# TABLE OF CONTENTS

<b>Editorial Board .....</b>	<b>iii</b>
<b>Rector's Message.....</b>	<b>iv</b>
<b>From The Desk Of The Head Of Faculty.....</b>	<b>v</b>
1. <b>INDUSTRIAL REVOLUTION (IR) 4.0: IT IS ESSENTIAL IN TODAY'S BUSINESS</b> <i>Abd Rasyid Ramli, Norhidayah Ali &amp; Rosliza Md Zani</i>	1
2. <b>YOUTH ENTREPRENEURSHIP DURING COVID-19 PANDEMIC: DOES THE GOVERNMENT CARE?</b> <i>Azyyati Anuar &amp; Daing Maruak Sadek</i>	3
3. <b>ISLAMIC BANKING INDUSTRY IN FINTECH ECOSYSTEM: ISSUES AND CHALLENGES</b> <i>Hasmah Laili Jamalurus</i>	6
4. <b>APPLICATION OF TECHNOLOGY IN FOOD INDUSTRY</b> <i>Baderisang Mohamed, Mohd Sukor Md Yusoff &amp; Siti Nur Athirah Mohd Kamal</i>	10
5. <b>ANNOTATIONS GIVE MEANINGFUL LEARNING EXPERIENCE</b> <i>Farah Merican Isahak Merican, Nizar Nazrin &amp; Shafilla Subri</i>	13
6. <b>AN INTRODUCTION TO ENSA: THE ANIMATED SCREEN ANNOTATION APPLICATION</b> <i>Farah Merican Isahak Merican, Syafiq Abdul Samat &amp; Abdullah Kula Ismail</i>	15
7. <b>E-COMMERCE ISSUES IN RETAIL INDUSTRY</b> <i>Baderisang Mohamed, Mohd Sukor Md Yusoff &amp; Nurul Ain Syauqina Azlan</i>	17
8. <b>DIGITALISATION OF MALAYSIAN AGRICULTURAL SECTOR</b> <i>Baderisang Mohamed, Mohd Sukor Md Yusoff &amp; Nurul Ain Syauqina Azlan</i>	21
9. <b>STUDENT INTERNSHIP CHALLENGES DURING COVID-19</b> <i>Fatihah Norazami Abdullah, Nor Edi Azhar Mohamed &amp; Noriza Mohd Saad</i>	25
10. <b>INDUSTRY 4.0 AND ITS CHALLENGES</b> <i>Rosliza Md Zani, Ramli Saad &amp; Mohd Radzi Mohd Khir</i>	28
11. <b>BALANCING THE SCALE OF WORK AND LIFE</b> <i>Norhidayah Ali &amp; Azni Syafena Andin Salamat</i>	31
12. <b>NANOCREDIT PROGRAMMES: WHEN MICROCREDIT IS TOO BIG</b> <i>Zuraidah Mohamed Isa, Dahlia Ibrahim &amp; Zaiful Affendi Ahmad Zabib</i>	34
13. <b>ERGONOMICS WORKSTATION FOR HOME OFFICE</b> <i>Norafiza Mohd Hardi, Norhafiza Hashim &amp; Hasyimah Razali</i>	36
14. <b>RETIREMENT SAVINGS: HOW IT FARES DURING COVID-19 PANDEMIC</b> <i>Dahlia Ibrahim &amp; Zuraidah Mohamed Isa</i>	39

15	<b>LEVERAGING AR-RAHNU MICRO FINANCING FOR FLOOD VICTIMS</b> <i>Mohd Shafiz Saharan, Mohd Fazil Jamaludin &amp; Khairul Azfar Adzahar</i>	41
16	<b>WHAT IS LEAN 4.0?</b> <i>Azyyati Anuar &amp; Daing Maruak Sadek</i>	43
17	<b>21ST CENTURY SKILLS - THE NEEDED SKILLS NOW</b> <i>Azfahanee Zakaria, Syed Mohammed Alhady Syed Ahmad Alhady &amp; Sarah Sabir Ahmad</i>	46
18	<b>NEW MARKETING STRATEGY THREATENING THE TRADITIONAL HEALTHCARE BUSINESSES</b> <i>Sarah Sabir Ahmad, Azfahanee Zakaria &amp; Isma Fazlini Ismail</i>	49
19	<b>COVID-19: DOES IT MAKE A DIFFERENCE IN ASEAN MOTOR VEHICLE SALES?</b> <i>Anita Abu Hassan, Najah Mokhtar &amp; Mohd Syazrul Hafizi Husin</i>	52
20	<b>FACTORS INFLUENCING TOURISTS READINESS TO TRAVEL DURING PANDEMIC</b> <i>Wan Shahrul Aziah Wan Mahamad &amp; Ramli Saad</i>	55
21	<b>THE USE OF CELEBRITY ENDORSEMENT IN ADVERTISING PROMOTION</b> <i>Ramli Saad, Wan Shahrul Aziah Wan Mahamad &amp; Yong Azrina Ali Akbar</i>	57
22	<b>FACTORS ROCKETING IN THE PRICE OF ESSENTIAL GOODS IN MALAYSIA</b> <i>Nor Azira Ismail, Jamilah Laidin &amp; Shahiszan Ismail</i>	61
23	<b>THE IMPACTS OF COVID-19 ON POVERTY IN MALAYSIA</b> <i>Nor Azira Ismail</i>	63

# **THE IMPACTS OF COVID-19 ON POVERTY IN MALAYSIA**

Nor Azira Ismail  
noraz788@uitm.edu.my

Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah

## **INTRODUCTION**

The onset of the COVID-19 pandemic in 2020 has greatly impacted most of the nation including Malaysia. The recent data released by the Department of Statistics Malaysia (DOSM) has projected that the pandemic has reversed the decreasing trend on absolute poverty, causing it to increase to 8.4 percent (639,800 households) in 2020 compared to 5.6 percent (405,400 households) in 2019. Taking into account the data from household income to present the incidence of poverty, DOSM reported that the main sources of income of a household in 2020, which come from paid employment and self-employment recorded a decrease of negative 16.1 percent and negative 9.7 percent respectively. Meanwhile, the mean monthly household gross income decreased by negative 10.3 percent to a record RM7,089 as compared to RM7,901 in 2019. The reduction trend was contributed by households or individuals who experienced job losses, reduced working hours, and an increased in skill-related underemployment (Mahidin, 2021).

## **THE ISSUES FROM COVID-19**

The spreading of pandemics also affected the distribution of income among people. The majority of households experienced with the decline in income make them shift from higher-income to lower-income group. In 2020, 20 percent of households from the M40 group with income between RM4,850 and RM10,959 has moved to the B40 group. Without being left behind, the household in the T20 group was also affected when 12.8 percent has shifted to the M40 group. However, the percentage decrease in income for B40 and M40 households was larger than the T20 household group. An estimated 64.77 percent of B40 households rely on a single source of income, making them vulnerable to shocks and stress risks that could impact their livelihoods (Ghazali, 2017). Furthermore, about 60 percent of the labor market in Malaysia is dominated by workers from B40 households which consist of low and medium-skill jobs. This puts them at risk of losing their jobs and sources of income if no immediate action is taken by the government to this group (Thinagar et.al., 2021).

## **THE GOVERNMENT AID FOR PANDEMIC**

Currently, the Malaysian government has been playing its role to mitigate the economic impact caused by the pandemic through launching eight stimulus packages worth RM530 billion with the latest package, Pemulihan is worth RM150 billion to address the crisis since the COVID-19 pandemic was declared in March 2021. The stimulus packages did not seem only to tackle issues of poverty and inequality among the poor but to ensure inclusive protection of citizens from economic shocks that are experienced by various income groups. Due to the closure of many economic sectors during MCO, stimulus packages such as PRIHATIN that are provided by the government have been targeted for B40 groups so they can spur economic growth and stimulate the economy through household consumption activities (Thinagar et.al., 2021).

## **CONCLUSION**

As to overcome the impact of the pandemic, the government used the tool of fiscal policy by providing such stimulus packages which aimed to reduce the burden on those affected. Aligned with the government expenditure-led economic growth hypothesis and based on the Keynesian view, the government expenditure on major infrastructure and social programs stimulates aggregate demand, thereby elevating economic growth (Arvin et al, 2021). As another solution,

the government also used financial policy to issue a moratorium for housing loans and car loans which can be deferred for six months. These government's initiatives enable borrowers to have better financial plans and reduce their struggle in this liquidity crisis. Meanwhile, Ismail et al., (2019) also proposed a strategy in monetary policy that can be enforced by the government to increase the saving and income to those affected especially the B40 group in the future. The government can provide an emergency saving plan by providing low monthly payments as an initiative to encourage more participants for B40 groups. During an economic downturn or when the country faces a financial crisis, those affected can withdraw their money from this emergency saving plan. The economic stimulus package that has been implemented by the government will then create a temporary boost in economic activities.

## REFERENCES

- Arvin. M.B., Pradhan. R.P., & Nair. M. S. (2021). Are there links between institutional quality, government expenditure, tax revenue, and economic growth? Evidence from low-income and lower-middle-income countries. *Economic Analysis and Policy*, 70, 468–489.
- Ghazali. R., (2017). *Keterangkuman dan masyarakat saksama: multi-dimensi kemudahterancaman isi rumah b40 dalam memperkasa sosio ekonomi kelompok b40 mendepani arus perdana*. Kuala Lumpur: Institut Tadbiran Awam Negara (INTAN). ISBN: 978-983-3109-95-1.
- Ismail, M. K., Siwar, C., Ghazali, R., Ab Rani, N. Z. A., & Talib, B. A. (2019). The analysis of vulnerability faced by Gahai Agropolitan participants. *Planning Malaysia*, 17(2), 249-258.
- Mahidin. U., (2021, August 6). *Household income estimates and incidence of poverty report, Malaysia*, 2020. Department of Statistics Malaysia. [https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=493&bul\\_id=VTNHRkdiZkFzenBNd1Y1dmg2UUlrZz09&menu\\_id=amVoWU54UTI0a21NWmdhMjFMMWcyZz09](https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=493&bul_id=VTNHRkdiZkFzenBNd1Y1dmg2UUlrZz09&menu_id=amVoWU54UTI0a21NWmdhMjFMMWcyZz09)
- Thinagar. S., Munawarrah Roslan, S.N., Ismail, M.K., & Chamhuri, N (2021). COVID-19: B40 household's financial and consumption during the implementation of movement control order (MCO). *Journal of the Malaysia Institute of Planners*, 19(15), 65-76.