

KERATAN AKHBAR

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Price increases hit Malaysians hard



Prices of food items, including chicken and vegetables, increased by more than 10 per cent, hitting the middle-class hard, and the lower-paid harder.

On Tuesday, FSMOne research manager Jason Wong warned that Malaysians will be facing greater food security issues as food items, even eating out, will be more expensive, which might lead to a limited quantity being sold to consumers.

"Malaysians may have no choice but to start cutting expenses and tightening their budget to match their monthly income," Wong was quoted as saying.

The United Nations (UN) in its June 8 report titled 'Global impact of the war in Ukraine: Billions of people face the greatest cost-of-living crisis in a generation' described the situation across nations as the "largest cost-of-living crisis of the 21st century to date".

"Time is short to prevent a food crisis in 2023 in which we will have both a problem of food access and food availability.

"If the (Russia-Ukraine) war continues and high prices of grain and fertilisers persist into the next planting season, food availability will be reduced at the worst possible time, and the present crisis in corn, wheat and vegetable oil could extend to other staples, affecting billions more people," the report said.

The UN, however, said there is still time to act to contain the cost-of-living crisis and the human suffering it entails.

This, it said, included helping the most severely exposed countries help their poor and vulnerable populations, by increasing countries' fiscal space and liquidity access so that they can strengthen social protection systems and safety nets and hence enhance the ability of people to deal with adversity.

Malaysia's Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz had recently announced that this year's subsidy bill is expected to be RM80 billion, which is the largest in the country's history.

In the 100th People's Financial Report, he said to reduce inflationary pressure on the people, the government provided consumption subsidies for petrol, diesel, liquefied petroleum gas (LPG), cooking oil, flour and electricity.

On June 27, Minister in the Prime Minister's Department (Economy), Datuk Seri Mustapa Mohamed said the government is willing to bear the projected huge subsidy totalling RM77.3 billion for this year towards stabilising the prices of goods and avoiding high inflation rates of up to 11.4 per cent.