

KERATAN AKHBAR

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Cost of living the main concern

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Forget politics, Malaysians more worried about economy and survival

PETALING JAYA: Malaysians are more concerned about the rising cost of living than the potential "green wave" or rise of extremism, says the Institute of Strategic Analysis and Policy Research (Insap).

The think tank said the ability to sustain themselves amid stagnant incomes and escalating expenses had become the top concern among most Malaysians as price hikes for goods and food were expected in the coming months.

"Business owners have highlighted a decline in retail transactions and footfall, raising concerns about their ability to make enough money to service loans and pay employee wages as the majority of their local customers are now reducing their spending on goods and services.

"The gradual transfer of increased electricity tariffs from businesses to consumers is also underway, prompting warnings from retailers and wholesalers about forthcoming price hikes for

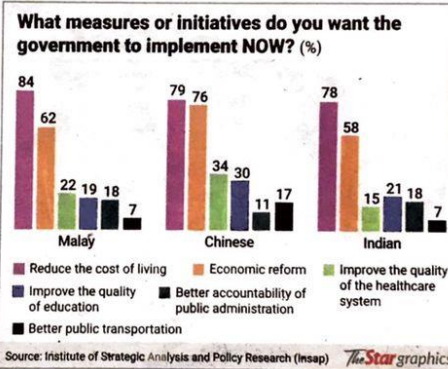
goods and food in the upcoming months," it said in a statement yesterday.

This was also reflected in the think tank's recent survey of 292 respondents from Selangor and Negri Sembilan, with over 80% of respondents on average demanding that measures to reduce the cost of living be implemented immediately.

Economic reform was the second largest concern among the people, with over 65% of respondents on average placing it as their second priority.

Insap said this growing concern had caused a lot of Malaysians to lose hope in the promised positive economic revival, especially those among the Malay community.

"While the survey indicated that a majority of over 59% of respondents were satisfied with the current administration, satisfaction among the Malay respondents in particular were significantly lower than the Chinese and



Indian respondents.

"Only 35% of the Malay respondents expressed contentment with Prime Minister Datuk Seri Anwar Ibrahim's governance and economic management, while 40%

expressed dissatisfaction.

"This is due to insufficient government involvement in current mainstream issues such as the

cost of living, which has exacerbated the adverse impact on the economy.

"The growing frustration among the populace is evident as more individuals highlight the negative impact of rising commodity prices, recent interest rate hikes, and a lack of clear guidance on resolving the fundamental issues faced by ordinary citizens," Insap added.

The interest rate hike refers to Bank Negara's decision to increase the overnight policy rate (OPR) from 2.75% to 3% in May.

Insap added that the sudden interest rate hike combined with the imminent removal of subsidies for individuals in certain income groups could further worsen the rising cost of living predicament.

"These changes will affect many single-income earners who are currently classified as high-income earners but are supporting large families or dependants, causing them to face financial hardship," it said.