



IPSOS PRESS RELEASE :

MALAYSIANS 'TIGHTEN THEIR BELTS' AS INFLATION EATS INTO INCOME

Source : Ipsos Global Inflation Monitor

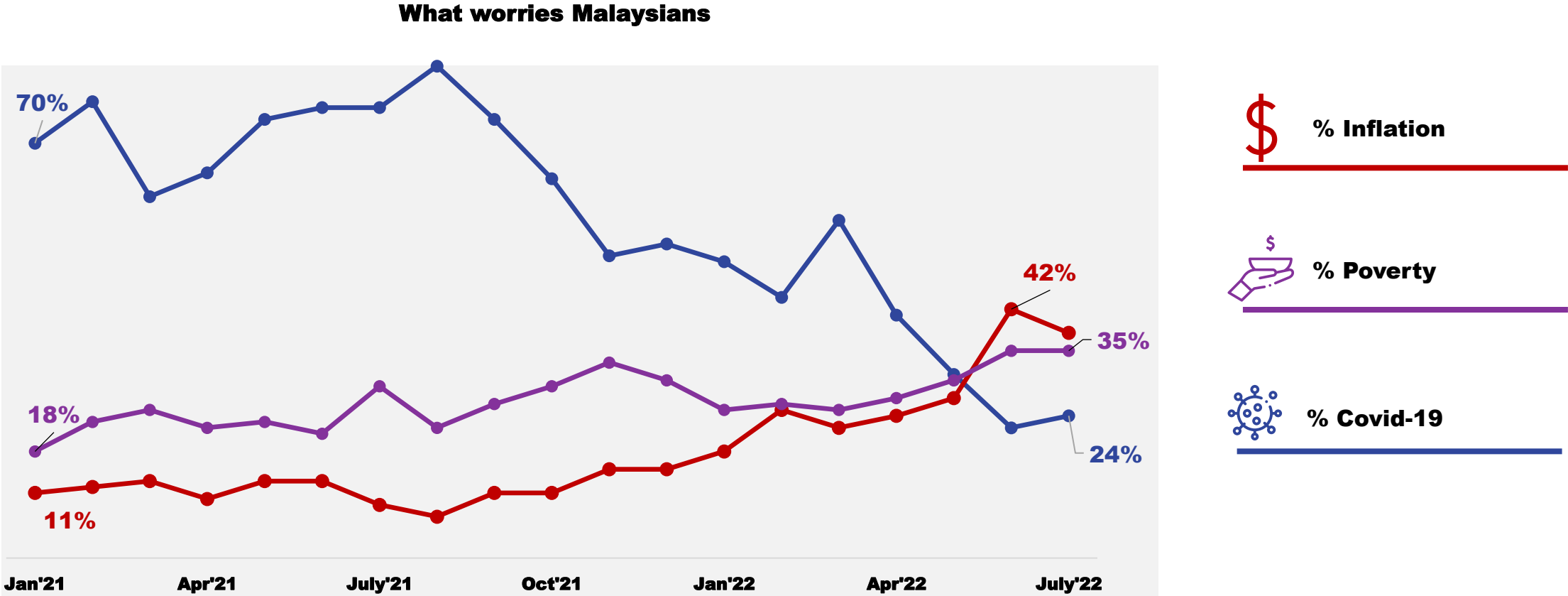
8 August 2022

GAME CHANGERS



ECONOMIC CONCERNS BUILD UP, AS COVID-19 RECEDES

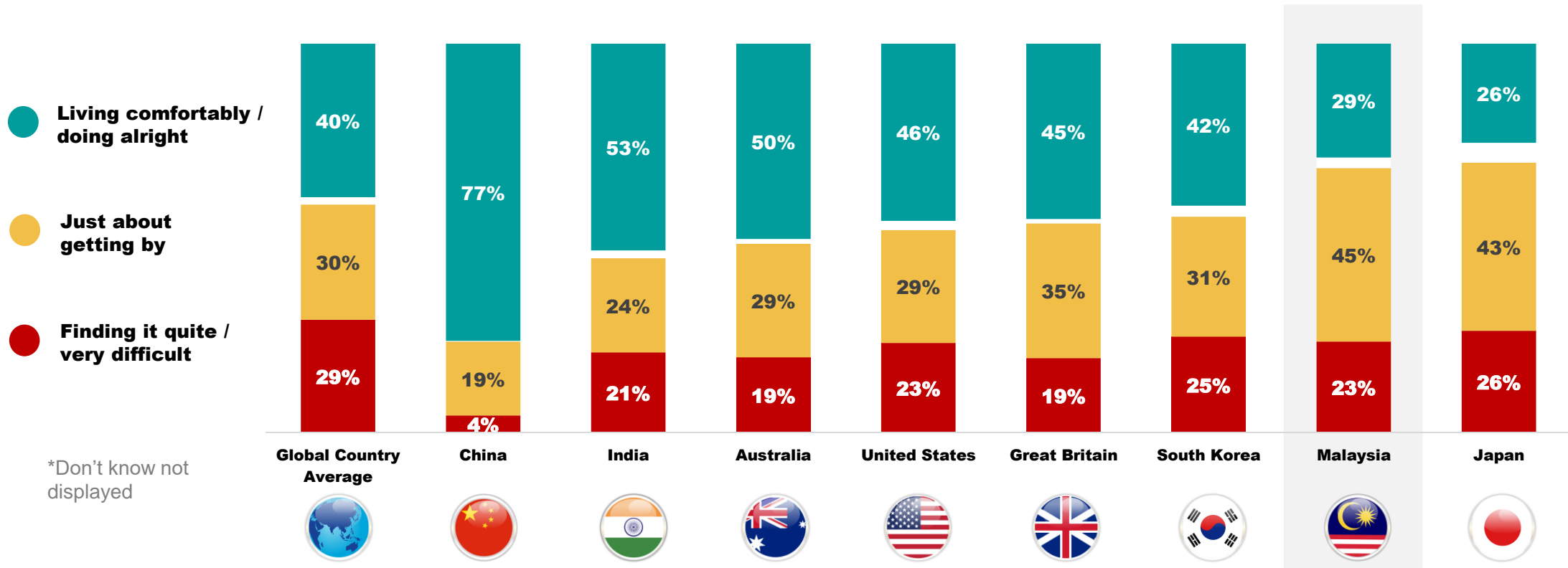
Inflation and poverty have eclipsed the pandemic as the main things Malaysians worry about.



MALAYSIANS ARE FEELING THE FINANCIAL SQUEEZE

A majority of Malaysians are finding it difficult to manage financially, or feel they are just getting by. Compared to most major economies in Asia and the West, significantly fewer Malaysians would say they are living comfortably these days

Q. 'How well would you say you are managing financially these days?'

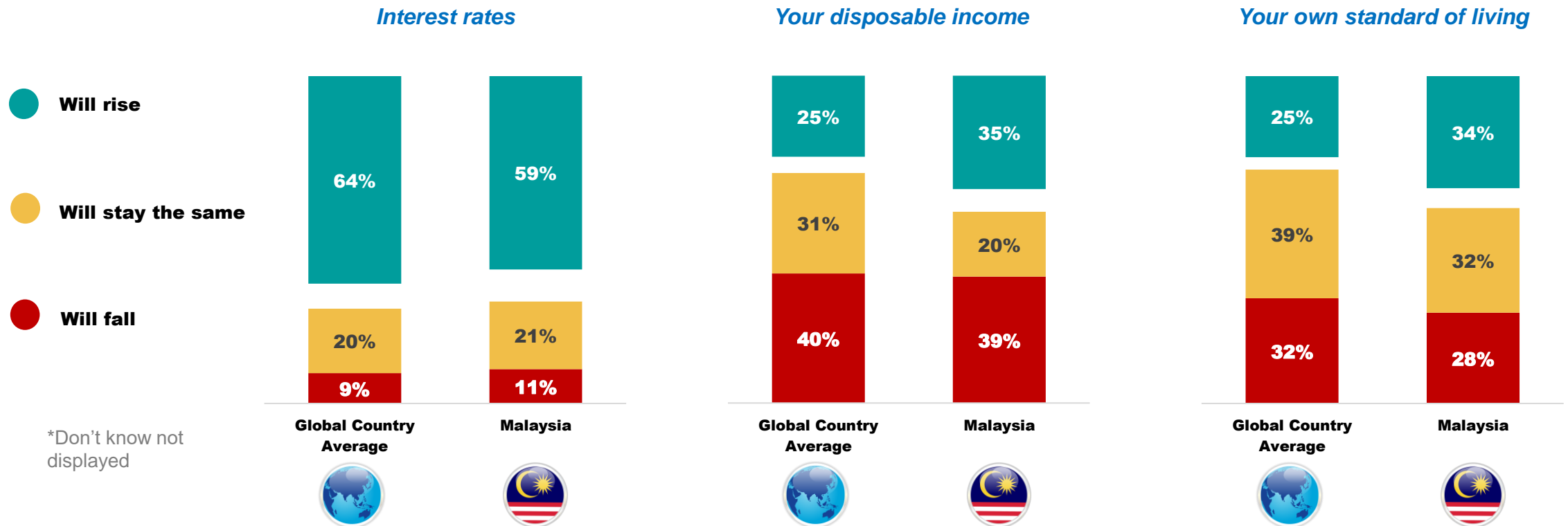


*The Global Country Average" reflects the average result for all the countries where the survey was conducted. It has not been adjusted to the population size of each country and is not intended to suggest a total result

DISPOSABLE INCOME EXPECTED TO FALL, OR STAGNATE

With inflation continuing to be a concern, Malaysians expect further increases in interest rates, and the majority has settled into the idea that they will not see any increase in disposable income over the next year.

Q. ‘Over the next year, do you think each of the following will rise, decline, or stay at about the same level?’



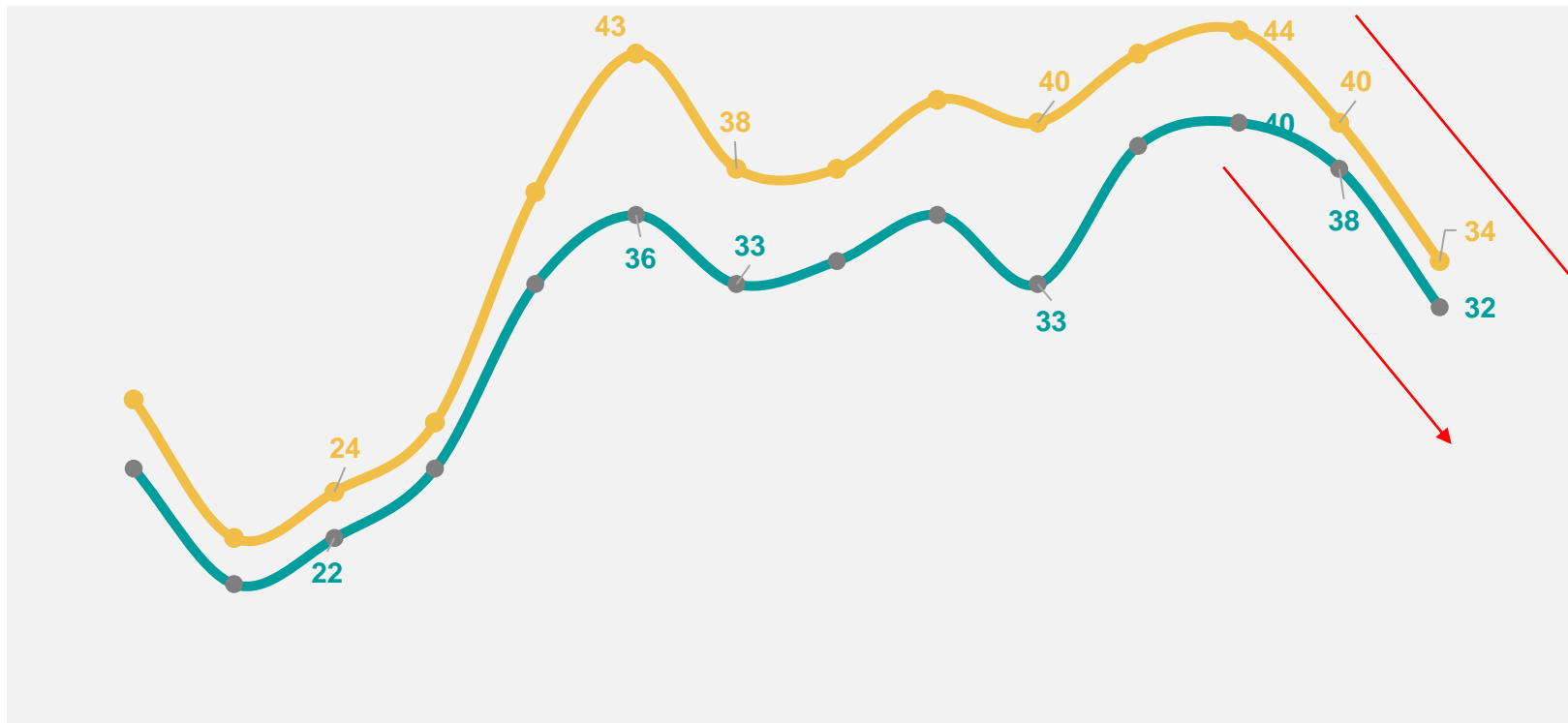
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IMPACT VISIBLE THROUGH DROP IN PURCHASE INTENT

Steady improvement in consumer purchase intent for household or major purchases (house/ automobiles) from July 2021, but seems to be reversing - purchase intent has dropped 10 points over the last two months.

% of Malaysians more comfortable with making purchases now compared to 6 months ago



	Highest	Lowest
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Household purchases	59 - Jun'18	22 - July'21
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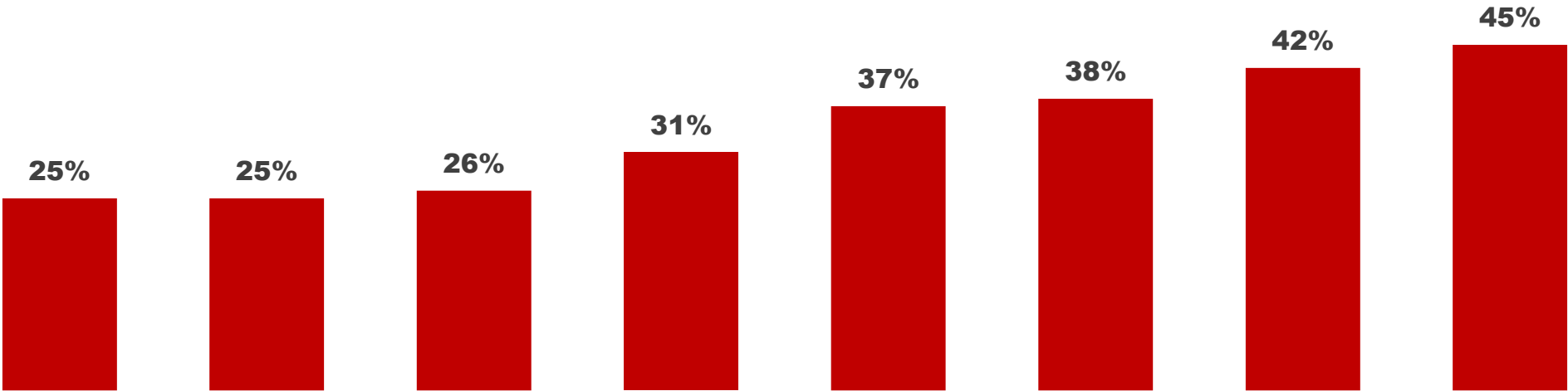
Major purchases	53 - Jun'18	20 - July'21
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HOLIDAYS AND SOCIALISING ARE FIRST TO BE CUT

If the new economic situation makes it necessary, Malaysians will cut their spending on socializing and holidays, and are prepared to delay larger purchases, rather than cutting the budget for necessities. This mirrors the global sentiment.



Q: If price rises meant that you could no longer afford your normal lifestyle, which, if any, of the below actions would you be likely to take?



Use a car/motor vehicle less often to save fuel costs	Use less utilities	Use savings	Spend less on food	Spend less on other household shopping	Delay large purchases	Spend less on holidays	Spend less on socialising
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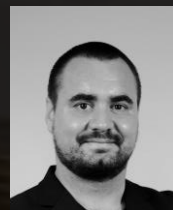


**MALAYSIANS 'TIGHTEN
THEIR BELTS' AS
INFLATION EATS INTO
INCOME.**

Concern about inflation and the cost of living is now widespread, and Malaysians are feeling the squeeze on their personal finances. Widely expected increase in interest rates is preparing 4 out of 10 Malaysians for lower disposable income in the near future, resulting in a fall in their standard of living.

The squeeze from inflation and rising interest rates is impacting consumers willingness to spend - a sharp drop in Malaysian's comfort with making both household and larger purchases indicate that they may need to prioritize what they choose to spend on in the near term.

For many Malaysians, spending on socializing and holidays is the first to be cut with the household budget tightening. Delaying large purchases and reduced household shopping follow, before touching expenses on food or eating into savings.



Lars Erik Lie
Associate Director,
Ipsos Public Affairs

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You act better when you are sure.