

Covid-19: 580,000 M40 households fall into B40 category, absolute poverty rises to 8.4pc, says PM

KUALA LUMPUR, Sept 21 — Around 580,000 households, which were previously in the M40 category, slipped into the B40 group owing to the effects of the Covid-19 pandemic on the nation's economy, Prime Minister Datuk Seri Ismail Sabri Yaakob said.

In a written reply addressing queries from both Sungai Siput MP, S. Kesavan, and Sekijang MP, Natrah Ismail, the Bera MP said that this translates to 20 per cent of M40 households, adding that the absolute poverty rate had also risen to 8.4 per cent from 5.6 per cent.

"Based on the Household Income Estimates (HIES) and Incidence of Poverty Report by the Department of Statistics Malaysia (DOSM), as much as 20 per cent or about 580,000 households from the M40 households with incomes between RM4,850 and RM10,959 have shifted to the income limit of the B40 group," he said.

"The government will update the Poverty Income Line (PGK) in 2022 simultaneously with the Income Survey, Household Expenditure and Basic Amenities (HIES & BA) 2022. The 2019 PGK which is used and the latest one is based on the 2019 PGK methodology and the 2019 HIES and BA. For the information of members of Parliament, the HIES & BA is conducted twice every five years," he added.

Ismail Sabri said using the 2019 PGK method, the national PGK is RM2,209 monthly, compared to the 2016 PGK, which used the 2005 methodology, that was RM980 monthly.

He said that using the 2019 PGK methodology, the absolute poverty rate was 5.6 per cent (405,441 households) in 2019, compared to 7.6 per cent (525,743 households) in 2016.

"Owing to the Covid-19 pandemic and the movement control order (MCO), the government studied their impact on the socio-economy of the people. This research included simulations to data from the 2019 HIES & BA, and the content of 2019 household profiles, which was then adjusted to the 2020 content distribution pattern of households.

"The focus of this study was to look at the effects of the Covid-19 pandemic on household income and poverty for the year 2020. Based on this study, the incidence of absolute poverty has increased to 8.4 per cent from 5.6 per cent over the same period," he said, adding that the study, however, did not remove the latest PGK, whereby the 2019 value was still maintained.

Ismail Sabri said that the determination of the PGK, the unemployment rate and the total number of B40 households use different methodologies which are linked.

Kesavan had asked the prime minister if the government has revised the PGK so that it better reflects the current situation.

Natrah, meanwhile, had asked if the government intends to revise the PGK in 2020, as the current rate does not reflect the national unemployment rate and B40 group numbers which are on the rise.

<https://www.malaymail.com/news/malaysia/2021/09/21/covid-19-580000-m40-households-fall-into-b40-category-absolute-poverty-rise/2007310>