

Malaysians tighten belts during Ramadan as food prices continue to rise

KUALA LUMPUR - For decades, Mr Azmir Ikmal and his family would break their fast with a Ramadan buffet at a hotel. But as inflation creeps up, they have replaced the spread with ala carte picks from the menu to be more prudent.

"This tradition has been with us since I was a child, so we're trying to keep it alive for as long as we can, especially after my father's death," he told The Straits Times. "But things are getting expensive – the Ramadan buffet at our favourite hotel went up by 25 per cent to RM208 (S\$62) a person. We don't think it's a good idea to spend that much, so we restructured without having to stop going to our favourite place."

Like him, pharmacist Aliya Hashim is tightening her budget by preparing her own Ramadan meals and Hari Raya cookies, after bakers raised prices.

"I did some calculations. I can save more by doing this," she said, joining Malaysians who are now more conscious of their spending due to rising food prices.

Consumer price inflation remained elevated at 3.7 per cent in February, according to Department of Statistics Malaysia data, with food and beverage items remaining high at 7 per cent.

Chief statistician Mohd Uzir Mahidin said continuous heavy rain in several states, from the end of December 2022 to February 2023, has also led to increases in food prices, especially for vegetables.

"As a result of the transition of the monsoon, the inflation for the vegetable sub-group has recorded a significant increase of 5.8 per cent as compared with 1 per cent in January," he said.

With high prices squeezing people's purchasing power, economic experts say consumers tend to be more cautious in spending, especially when there is no corresponding rise in income.

Sunway University economics professor Yeah Kim Leng told ST: "To reduce living expenses, consumers could be having meals prepared at home and reducing purchases at bazaars. Another possible factor could be the increase in the number of stalls and vendors, offering consumers more choices. Vendors, on the other hand, experience lower business volume due to greater competition.

"The economy is slowing down, as reflected in the latest economic indicators. Consumers tend to tighten their wallets when faced with increased uncertainties over the economy. They could also have less to spend due to the expiry of the various Covid-19 stimulus packages."

During the pandemic, Malaysia's gross domestic product shrank by 5.6 per cent in 2020, the biggest contraction since the 1998 Asian financial crisis.

Home-based baker Mimi Zainal is feeling the pinch, saying the price of butter has risen by 30 per cent in the last few months, forcing her to increase prices.

"A block of 250g butter that I use is now RM24.70 – that's RM5.70 more. I can no longer sell my cookies for RM35 per bottle, but after repricing them at RM3 more, sales are not really coming in," she said.

“I easily got orders for 100 bottles in the first week of Ramadan last year, but I can barely get 45 now, and we’re already entering the second week of fasting. I’m behind my sales target for this year.”

To help cushion the burden, the Malaysian government on Monday launched the Rahmah Ramadan bazaar, consisting of food trucks offering affordable meals below RM5 in 38 locations nationwide.

“We sell rice with fried turmeric chicken and long beans for RM5 a portion. It’s a hit and a win-win for both sides,” said food truck hawker Ahmad Jalil Jailani.

<https://www.straitstimes.com/asia/se-asia/malaysians-tighten-belts-during-ramadan-as-food-prices-continue-to-rise>