

Rate of urban poverty rises to 4.5pc

PUTRAJAYA: The rate of urban poverty in the country increased from 3.9 per cent in 2019 to 4.5 per cent last year.

This compares to a drop in poverty incidence in rural areas from 12.4 per cent in 2019 to 12 per cent last year, said the Statistics Department in its Household Income and Expenditure Survey (HIES) report that was released yesterday.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the number of extreme poor households with income below RM1,198 had decreased to 0.2 per cent of the total, or 18,445 households, compared with 0.4 per cent in 2019.

He also said on average, households spending RM5,150 monthly were up by 3.7 per cent per year for the period of 2019 to 2022.

"In addition to income received by households, part of this expenditure is financed by non-income receipts, such as government assistance and special withdrawals of savings from the Employees Provident Fund (EPF)."

Malaysian households, he said, spent mainly on four main groups, namely housing, water,

electricity and gas and other fuels, which made up 66.9 per cent of their allocated expenses.

Mohd Uzir said households also spent on food and non-alcoholic beverages (16.3 per cent), restaurants and hotels (16.1 per cent), and transportation (11.3 per cent).

"As a result of the Covid-19 pandemic, the composition of expenditure on health increased by 0.6 percentage points last year, with spending on health goods such as face masks, disinfectant liquid and Covid-19 test kits."

Meanwhile, Economy Minister Rafizi Ramli said the survey provided a granular picture of Malaysian households and their socioeconomic status.

"The data from the HIES will determine how the government provides aid and what kind of aid will have the most impact.

"We do not want to give the

same aid to everyone... We want it to be more specific and based on the behaviours of households."


He also said the ministry would present its progressive wage plans to the National Economic Action Council on Aug 7, with the plan to table a white paper in Parliament in September.

"After taking into account the HIES findings, we see that it's not just the findings that are important, it is what the government does with these findings, and that is what we intend to do with wages.

"Of course, employers will have their worries if the government forces

(to implement progressive wages) as it will impact their (operating) cost but I am confident that when we finalise the model and the concept, they will be happy, too.

"I am confident that it will be a popular policy," he added.

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RAFIZI RAMLI
Economy Minister