

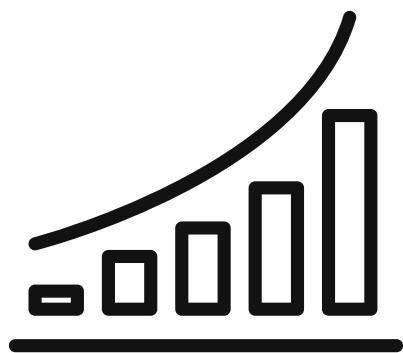


# HOW HAS COVID-19 AFFECTED MALAYSIAN BUSINESS SECTORS?

We all know businesses are struggling to cope with the lockdowns and impact of covid pandemic. But just how bad is everyone doing? Here's a sneak peak:

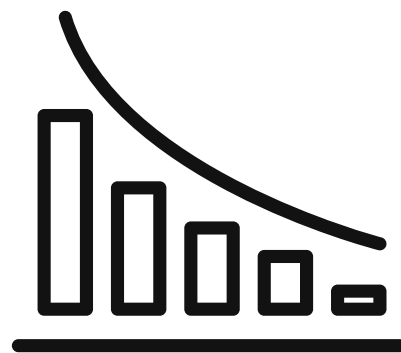
## AIR TRAVEL

### AirAsia Group



Q2 2019  
(pre-pandemic)

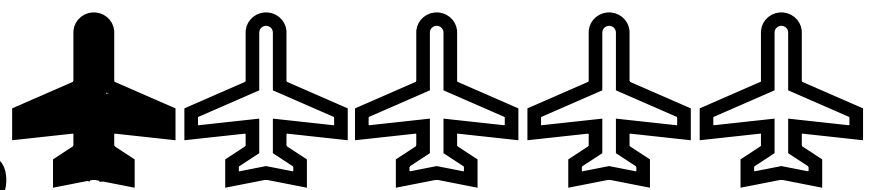
**RM17.34mil net profit**



Q2 2020  
(mid-pandemic)

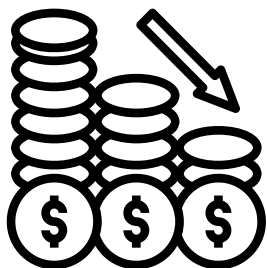
**RM992.89mil net loss**

Flights frequency  
dropped to **20%** of  
full capacity from 2019



**1/10** employees retrenched by  
Oct 2020

# HOSPITALITY & TOURISM



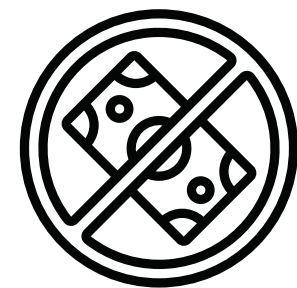
**44%**  
of hotels **cut workers' pay**

**14.06%**  
**retrenched** their workforce



**34.69%**  
have **reduced** worker benefits

**63.13%**  
were forced to take **unpaid leave** during MCO 3.0



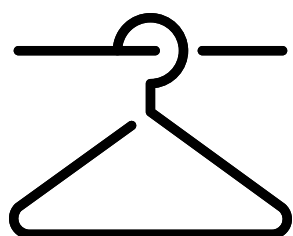
At least 120 hotels have ceased operations temporarily or permanently from March 2020

# RETAIL



In 2020, retail sales growth rate declined by **-16.3%**, the worst since the Asian Financial Crisis in 1998 (-20%).

## Worst-hit sub-sectors in 2020:



Fashion/Apparel: **-49.6%**  
in Q4 (-37.9 overall)

Department Stores: **-44.7%**  
in Q4 (-38.3% overall)



Since March 2020,

- **30%** of malls have closed
- Approx. **300,000 personnel** were left jobless

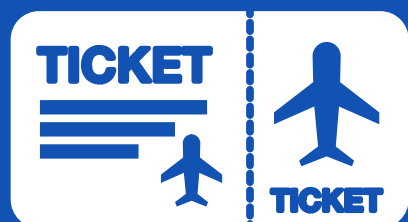


In May 2021 (before MCO 3.0), malls contributed to only 0.8% of overall positive Covid-19 cases.

# SPORTS & FITNESS

For sports events in 2020,

- Approx. **90%** were postponed or cancelled
- Approx **99%** of revenue was lost
- **85%** of workforce lost their jobs

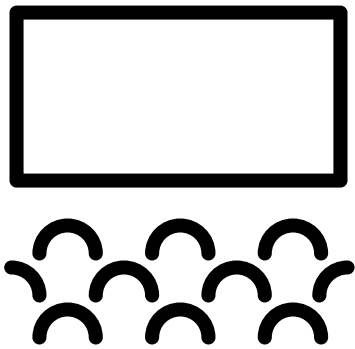


In 2019, sports tourism contributed over RM1 billion in economic impact.

"We are one of the forgotten groups as many sectors have received help...We tried to get financial aid... but one or two voices are not heard...[so] we decided to form the Sports Industry Coalition (SIC)."

– *Lim Chong Ghee, Regional Director of World Endurance Malaysia Sdn Bhd*  
*The Star Online, 16 April 2021*

# ENTERTAINMENT



Malaysia's box office collections **reduced by 85%** from RM905 million (2019) to RM138 million (2020)

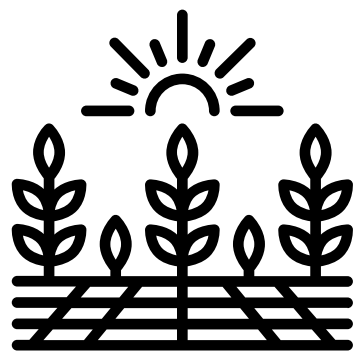


**Permanent closures** of over 25% of theatres

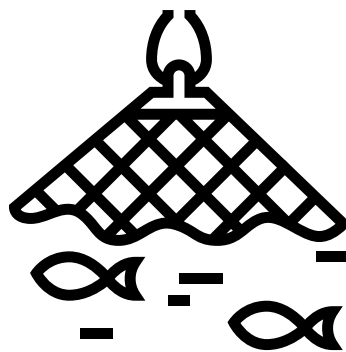


MBO, Malaysia's third-largest cinema chain, had to close down its business in October 2020 and subsequently entered an acquisition agreement with GSC in February 2021.

# AGRICULTURE & AQUACULTURE



-21.1%



-33.3%

**Job losses** listed above are mainly affected by:

- Decrease in sales due to dine-in restrictions and restaurant closures
- Price decrease due to oversupply
- Stock pile-up due to lower demand through affected fish export businesses



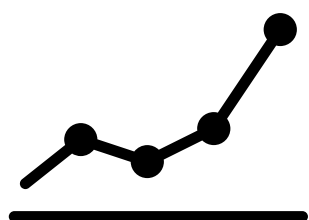
In Kudat, Kota Marudu and Pitas, fishermen earned 50% less than before the pandemic.

“The income generated from [...] fish catch is barely enough to cover the cost incurred, and the fishing communities face challenges in making ends meet.”

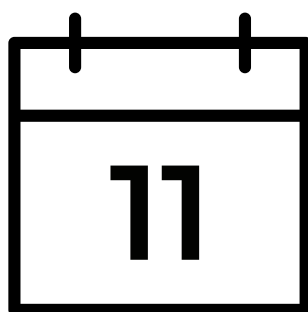
– Joanie Jomitol et al.

*Research Paper, 17 May 2020*

# GROWTH IN E-COMMERCE



Malaysia's e-commerce market grew by 24.7% in 2020.



11.11 Online Sales in Malaysia:

- Up 1,939% in 2020
- Up 429% in 2019
- 2018 as baseline



Lazada Malaysia garnered a 120% increase in sales in 2020, compared to 2019.

"Malaysia is among the fastest-growing e-commerce markets in Southeast Asia [...] The fear of virus spreading through cash handling and visiting physical stores amid COVID-19 outbreak has further accelerated this growth."

– *Nikhil Reddy, Banking and Payments Analyst  
Global Data, 20 September 2020*



# REFSA'S TAKE



- Instead of blanket lockdowns and arbitrary distinctions between "essential" and "non-essential" sectors, REFSA proposes a more **science-based assessment to work places based on a risk of transmission**. This means that evaluations focus on **improving air quality and ventilation**, as well as ensuring **stringent crowd control measures**.
- Using data-analytics findings, let's **gradually reopen sectors with low transmission incidence** and channel resources to assist other businesses to mitigate transmission at their premisses
- The idea is that high risk businesses can also gradually resume operations under a **well-defined "new normal" condition in the months to come**

For detailed solution recommendations, visit [www.refsa.org/projek-muhibah](http://www.refsa.org/projek-muhibah)

# REFERENCES



**Scan the QR code above to  
access sources**

*Note: data showcased are meant to provide information for readers to form their own thinking and to encourage discussions in policy issues. They are not meant to be an exhaustive review. The responsibility for the interpretation and use of the material lies with the reader.*