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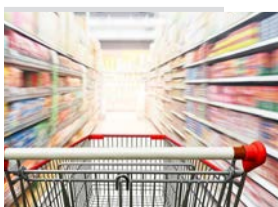
# A *different* Raya

This year's observance of Hari Raya Aidilfitri has changed as a result of the Covid-19 pandemic and the subsequent movement control order. Amidst the gloom and doom projected, this year's celebration offers the spark of renewed hope.

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# Retail sector to register smaller gains

Businesses struggle to stay afloat amidst a subdued Raya

By VIKTOR CHONG  
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**T**HE arrival of festivities has always signified a welcome increase in business transactions, and Hari Raya is no exception. However, Muslims celebrating the Raya this year must contend with a new normal, with the virus threat and a nation largely under the movement control order (MCO).

For the consumers, it is a matter of inconvenience, but for the retail businesses, it is a matter of survival of the fittest. According to Retail Group Malaysia managing director Tan Hai Hsin, the Hari Raya festival usually contributes to about 25% of total retail sales in Malaysia.

Due to phase four of the MCO, this year's Hari Raya sales have been severely affected, with many Muslims being unable to purchase the necessary items and merchandise during the first two weeks of Ramadan. However, Tan is optimistic that retail sales shall climb quickly in the event the MCO is lifted after May 12.

He said Malaysian consumers would return to shopping as usual, but the reserved setting may hamper business. For example, the imposed social distancing measure will affect business volume as consumers may be frustrated

by the long queue. As for the cafes and restaurants, tables need to be placed apart from one another, which reduces customer capacity.

With regards to external demands, retailers that are highly dependent on foreign tourists will register poor business until at least the end of this year. "The return of foreign tourists will take time as the virus infection will stop travellers from moving around for the next one to two years," Tan commented.

The new normal does not only change consumer habits. Tan said the impact of the virus would direct retailers' investments towards online platforms. The digitisation of shopping is foreseen to become a significant channel of distribution for goods and services in Malaysia.

## Supply chain disruption

Essential goods and services remained operational during the MCO, and are likely to continue uninhibited after the lifting of the control order. With the non-essential products, most are manufactured in China, and the factories there had resumed operation since early April 2020. Based on these developments, Tan stated that supply would not be the major issue, but rather the demand.



He cautioned that the high demand for groceries and pharmaceutical products should revert back to normalcy soon. In fact, essential retailers may witness some slowdown in sales due to the overbuying of certain items, such as toilet paper, eggs, canned food, instant noodles, frozen food, face masks, hand sanitizer, vitamins and more.

Historical data showed a spike in business transactions for grocery retailers during the first week of the MCO. That was during the time when Malaysians rushed to stock up food and basic necessities. Note that grocery retailers included supermarkets, hypermarkets, mini-markets, provisional shops and convenience stores.

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## EVENT HIGHLIGHTS

# 20 winners for StarProperty contests

**T**HE 20 winners for the first series of the 'StarProperty Stay-At-Home Contests' has been selected.

The homebound contests launched by omni-channel property platform provider StarProperty Sdn Bhd saw over 500 entries from the strong contenders, who were vying for the top slots.

Beginning with home-cooking and bread-baking, the contests aim to lift spirits and keep people entertained while the movement control order (MCO) is ongoing.

As of print time, the winners are identified via their Facebook account names and StarProperty is in the process of reaching out to the winners for their full details to enable them to receive their Aeon vouchers.

The full list of winners and their winning entries will be published in the publication's online news once the winners have submitted their details.

Meanwhile, StarProperty invites all Malaysians regardless of race and religion to embrace the culture of the Ramadan bazaar into their homes with the 'Bazaar At Home' cooking contest, the third contest in the 'StarProperty Stay At Home Contests' series.

The 'Bazaar At Home' contest involves participants cooking any one of the five Ramadan desserts listed in the article and uploading the images on social media with #starpropertybazaarathome.

Similar to the cooking and baking contests, 10 lucky winners stand to win Aeon shopping vouchers to be presented once the MCO is lifted. Variations of the recipes are permitted. 🍴



**B A Z A A R**  
AT HOME CONTEST  
1-30 MAY 2020

- 1 Cook any one of the Ramadan desserts in the article
- 2 Snap a photo of your cooking
- 3 Like and follow us on social media
- 4 Upload the pic on Facebook and Instagram with the #starpropertybazaarathome and tag Starproperty
- 5 Winners will be judged based on food appearance, creativity and captions



Shopping vouchers to be WON by 10 lucky winners!

### The winners are:

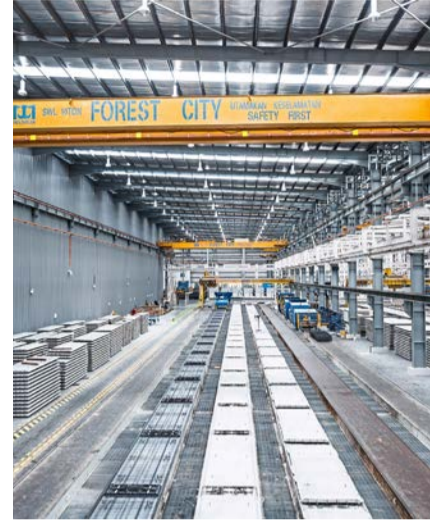
- |                          |                    |                            |
|--------------------------|--------------------|----------------------------|
| 1. Shirley Ong Geok Mooi | 7. Fareen Khan     | 14. Mamauni82              |
| 2. Zara Lova             | 8. Kak Wan         | 15. Nur Dhunan AB Malaq    |
| 3. ai_peng_tan           | 9. Mei Mei Wong    | 16. Nur Fakhira Mohd Rosli |
| 4. Meimei9619            | 10. LS Yeoh        | 17. Paulin Lee             |
| 5. Ellesoffon            | 11. Shahmiah JD    | 18. Jessica Lee            |
| 6. Shirley Siew          | 12. Lee Lean Wylie | 19. puspasela_mk           |
|                          | 13. See See        | 20. Aini AS                |



Forest City Golf Resort which currently has two international standard golf courses.



Aerial view of Forest City high rise apartment



Forest City's Industrialised Building System (IBS) Plant has entered the Malaysia Book of Records (MBR) as the largest fully automated IBS factory in Malaysia.

# Forest City shifts roles

From developer to city operator; the focus is on residents' welfare and safety

**S**INCE its nascency, Forest City has been well-positioned as a catalyst for industrial development and economic enhancement, due to its favourable location within the Iskandar Special Economic Zone and support from Malaysia's federal government and the Johor state government.

It has been four years since Forest City was launched, and Country Garden, the master developer, has been in the Malaysian market since 2012. To date, the project's first island is now occupied and thriving, with a five-star hotel, international school and commercial areas with over 100 retail tenants on its premises. On the mainland, it boasts a five-star hotel and two designer 18-hole golf courses as well as the nation's largest industrialised building system factory. Forest City is also today an internationally renowned venue for international conferences and sports events.

In keeping up with industry developments, the company is now evolving from its role as a real estate developer into a city operator, with its focus on residents' welfare and safety. In addition, it is still seeking innovative ways to develop sustainably to contribute to greater economic vitality for the region and create a stable and healthy city development ecosystem.

This role shift is in line with Forest City's objectives to improve management efficiency, strengthen internal resources and enhance operations and includes the following areas:

## Industry development and economic enhancement

Forest City has, from the start worked with experts like McKinsey & Co, to identify eight industry pillars that it is building on. These pillars are tourism, healthcare, education and training, regional headquarters, near-shore finance, e-commerce, emerging technology, and smart and green.

Out of these, tourism, healthcare and education have been established within Forest City. In the next stage, the company will continue investing in

industrial development and strengthen cooperation with educational institutions – which is key to boosting economic vitality in the region, while upholding the government's requirement for industrial development.

## City development and management

Forest City hopes to show more of its ability in city operations while adhering to the government's guidelines.

The development is well known for its futuristic smart concept, employing a "build up, not out" approach which sees taller buildings with mixed-use space comprising offices, shops and residential units. This concept has materialised through the Carnelian Tower, the city's first 45-storey integrated landmark building housing offices, and residential and retail units, which will be open this year.

Through its various environment protection initiatives, Forest City promotes a sense of responsibility for the natural environment. At the same time, strategic partnerships with internationally renowned educators such as the Shattuck Saint Mary's International School and IDP Education Group provides residents access to high-quality education.

## Engagement and benefits to communities

To date, Forest City has invested over RM17bil to develop the local community. The company has awarded contracts worth RM1.6bil to local players and contributed over RM300mil in state and federal taxes. It has also contributed over RM10mil in corporate social responsibility initiatives, aimed at enriching the lives of communities in the surrounding area.

## A safe island

From construction and development to operation of the city, Forest City has always put safety first, sparing no resources to ensure that safety and

quality are not compromised.

As a city operator, public safety is assessed via natural, ecological, health, food, traffic, public facilities, and social and information security components. The leveraging on technology to build a safe island stems from four aspects - network of sensors; data platform; management system; and multi-tier business applications.

## Way of the future

Forest City strives to establish a comprehensive, closed-loop management data collection and analysis, with four levels of defence lines, utilising the Internet of Things.

The first level of defence is the boundary protection deployed at community entrances with facial and license plate recognition, data collection, and perimeter intrusion detection. The second level of defence is an internal protective network deployed at the roads, car parks and public spaces.

The third level comprises cross-island video, while the fourth level is within the buildings, including infrared thermal sensors and elderly assistance. Additionally, community police patrol the premises several times daily.

Su Baiyuan, regional president of Country Garden Malaysia-Singapore Region, also shared Forest City's story and aspirations as per the transcribed interview below:

**Q: What brought on this idea to shift the roles from developer to city operator?**

A: As of the end of 2019, we have more than 20,000 units ready for handover across Malaysia. Thus the

**This role shift is in line with Forest City's objectives to improve management efficiency, strengthen internal resources and enhance operations.**

Shattuck St. Mary Forest City International School.



basic development and construction of the city have formed a preliminary scale. In the next step, the company will focus on industrial development in the region and city operations. We will explore the sustainable development of the city, create greater economic vitality for the region, enhance regional value, and introduce industries to establish a stable and healthy development ecology for the city. We will continue to strengthen our cooperation with education and scientific research institutions, which will bring up the sustainable development potential of the city.

**Q: How do you foresee this shift will bring forward the business?**

A: Industrial development is a requirement of the Malaysian government, and in line with our belief that industrial development is the foundation of a city and a city is the carrier of industrial development. Our city will include and benefit from diversified industries. Industry integration is one of the basic strategies for Forest City development.

As a city operator, we will focus on exploring sustainable development, promoting the integration of "Industry, City, and People". We will take on industrial-oriented planning to encourage industrial development and create economic vitality. We will push for the implementation of intelligent solutions to improve efficiency, and to create the cultural symbol of Forest City by promoting city, industry and resident integration.

**Q: How will the role shift benefit the surrounding communities?**

A: A developing city needs to be injected with industrial power to have a broader economic impact. Forest City will balance this with a streamlined urban management system and state-of-the-art facilities to ensure a healthy and thriving living space. 📍

# Igniting a new spark for Raya

With the public still practising social distancing, this year's Raya celebrations will be different

By JOSEPH WONG  
josephwong@thestar.com.my

THE way Malaysians celebrate religious festivals and other major occasions may be forever changed as a result of the Covid-19 pandemic and the subsequent movement control order (MCO). Certainly, this year's observance of Ramadan, leading to the Hari Raya Aidilfitri celebration already has a different feel to it.

With the majority of the population practising social distancing to combat the deadly pandemic, one wonders if there is any reason for celebration at all. But amidst all the projected gloom and doom, this year's countdown to the celebration offers the spark of renewed hope.

Ramadan, after all, is a time of reflection and the coronavirus scenario, on the brighter side of things, has made this month of fasting a more appropriate time for this task. But with the MCO in place, this year's Ramadan means no communal gatherings in mosques or masjids for 'tarawih' night prayers and no 'iftar' dinners with family and friends at sunset to break the fast.

Ramadan is the ninth month of the Islamic lunar calendar. It involves fasting from food and water from dawn to dusk for a month, ending with the Hari Raya Aidilfitri celebration.

Indeed, many Muslims are feeling the added pressure of going through Ramadan with the MCO as this is the period when communities get together. Missing is also the usual Ramadan bazaars and the Raya buffets that are normally feted during this month.

Ho Chin Soon Research Sdn Bhd CEO Ishmael Ho pointed out that this is an immediate big change. "How we go through Ramadan would probably feel a little strange as there are no more bazaars and corporate

buffets," he said.

For Ishmael, Hari Raya appears to be a "duduk di rumah (stay at home)" with plenty of hand sanitizer instead of receiving guests and offering them the food and treats that are common with the celebration.

He is of the opinion that the MCO will only be fully lifted after Hari Raya, which has dampened the festival mood that comes with this celebration.

## Raya savings

"Of course, we expect the celebration to be less eventful, but as we are all clear on why we need to go through this. On the upside, definitely there's plenty of savings as there won't be the usual Hari Raya expenditure," he said.

People should also be wary about giving and receiving the green packets of money or "duit Raya" as money is one of the easiest mediums of transmitting Covid-19, he said.

The silver lining is that his kampung has always been Kuala Lumpur where his family members are, so there will be no interstate travelling for them.

For many would-be celebrants, they have shelved their plans to fly home to celebrate Hari Raya. Most families have accepted this as necessary to keep everyone safe.

Like thousands of others, Malaysian Institute of Interior Designers honorary secretary Sharifah Suzana Simmonds will not "balik Kampung" this year despite it being very important to her.

"So far in my life, I have not celebrated Hari Raya or balik kampung only three times. To me, family gathering, visiting, cooking big for the family and extended family is a must. I shall miss this dearly. We always wanted to instil the spirit of togetherness and closeness to the younger generation.

"Our cousins and my family have a routine each Raya. The first day to my late Mak Long's house and the second to my late mom's house - they are twins and the eldest in their family.

Since their passing, we make a promise, to continue with the spirit of Syawal and visiting.

"I am talking about a gathering close to 100 people or more in one day. For the second day of Raya, my family and I will prepare Penang Assam Laksa - about 20 kilos of laksa preparation with 10 kilos of fish, to feed the 'troupe'. I shall miss all that," she lamented.

Hari Raya is about the journey, the pain, the tiredness, the never-ending "are we there yet" question from children, planning menu for big groups of people at any one time, going to the wet market, and of course, visiting families and schools friends, she said.

For this year, the gathering of family is going to be limited to just five family members, she said.

"My eldest brother is here in Kajang. I don't think we will be visiting him this year," she added.

"With VC, the children will still able to show off their Raya baju, and we will still do the salam and bermaafan - virtually.

## VIRTUALLY VISIT RELATIVE AND FRIENDS #KITAJAKAKITA



## Connecting online

However, Sharifah is in discussions with her siblings in Jitra, Kajang and in her kampung to use video conferencing (VC) to connect with her family.

It's in the pipeline," she said.

Others are also turning to technology to help keep the celebration as lively as possible. This form of communication has already been used by many corporations whereby they

meet with staff and clients via VC.

This may work to a certain degree with the younger generations. But what of the elder folks who are unfamiliar with this form of communication?

"We can definitely do online visiting but there'll be those auntsies and neneks who have no access to these means, which makes it tricky. They might feel truly excluded during this festive celebration," Ishmael said.

One celebrant said this was an excellent opportunity for grandchildren to connect with their grandparents by introducing this technology to them. "It will also act as a bonding mechanism between these two generations," he said.

## What of companies?

This is the first celebration to be affected by the outbreak of Covid-19 and the subsequent movement control order (MCO) to prevent the further spread of the virus. Corporations which normally hold their buka puasa gathering during Ramadan are now mindful of the consequences of hosting them.

"Sime Darby Property Bhd is mindful of playing our part in flattening the pandemic curve by ensuring there are no large gatherings even if the MCO is lifted. Hence, we will not be hosting our annual buka puasa event and Hari Raya open house this year.

"Instead, we will focus our efforts to help the less fortunate. Sime Darby Property has supported generations of sustainable communities through our township developments, and we aim to continue playing an active role throughout this outbreak. We have always tended to the underprivileged community and welfare homes within and around our townships.

"During this MCO period, Sime Darby Property will continue to work with Yayasan Sime Darby to provide food assistance to welfare home(s) during Ramadan so the community can still enjoy a good fasting period, albeit the mood is a little different," said Sime Darby Property's new group managing director Datuk Azmir Merican Azmi Merican.

The developer's leisure and hospitality developments - Sime Darby Convention Centre, TPC Kuala Lumpur and Impian Golf and Country Club - will not be hosting Ramadan and Raya dine-in promotions but will instead focus

on delivery and takeaway promotions and expanding the reach of its cashless payment system.

Sime Darby Property will also forego Raya decorations, sampul Raya, and events at our sales galleries this year. The funds that would normally be spent on these items will be channelled towards producing 1,000 PPE Scrub Sets through the Social Textiles COVID-19 relief initiative.

Social Textiles is a community of social impact organisations that are joining together to ensure those at the frontlines are well equipped with the PPEs they require, while also mobilising a community as a whole towards better livelihoods through meaningful opportunities, especially during such troubled economic times.

Like many other big developers, Sime Darby Property is ensuring that safety protocols are in place and social distancing among employees and beneficiaries are practised during this period as set by the National Security and Prevention and Control of Infectious Diseases

Act 1988 and other government standards. "We are in close contact with relevant authorities to ensure that all guidelines and standards are being adhered to," Azmir said.

## Limitation to celebrations

"Sime Darby Property has always engaged our customers, business stakeholders, and staff physically and digitally even before this. However due to social distancing, this Raya, we will leverage our online platforms more efficaciously than ever before.

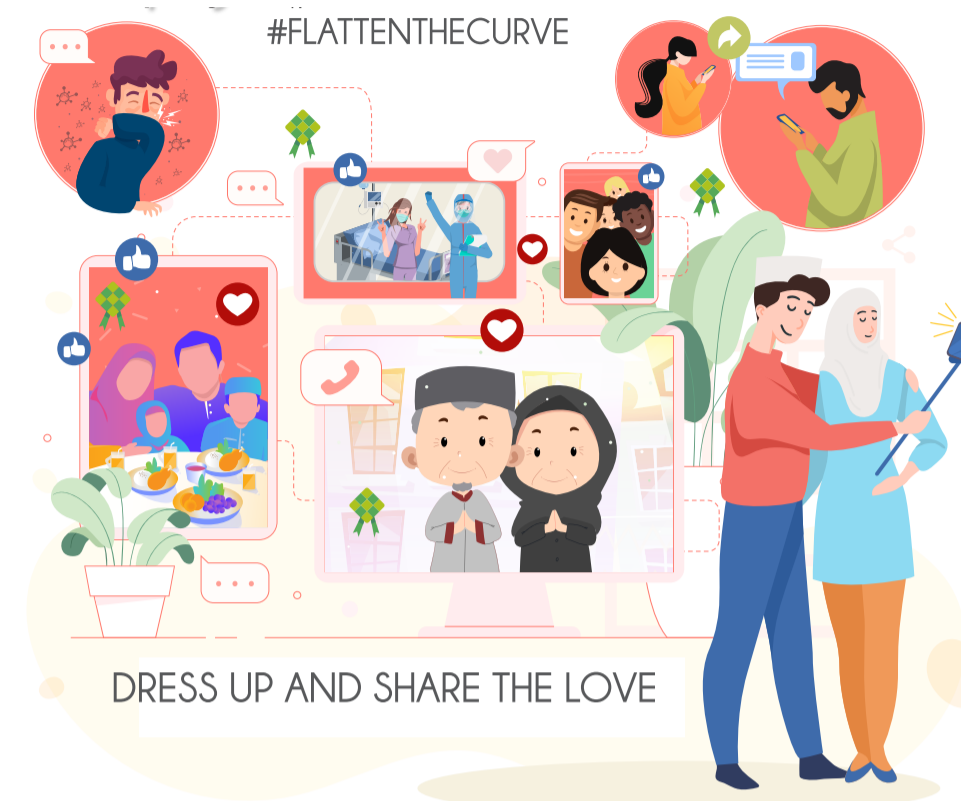
"Raya is about connecting with our families, friends and loved ones. It's about sharing joy and memorable moments with them, although this year it is slightly altered because of social distancing. Through our #BERSAMA Beraya di Rumah campaign, we hope to offer a platform where people can re-establish that element of connection, even though we are all physically apart," he said.

While the whole scenario seems dampening for the coming celebration of Hari Raya Aidilfitri, it is a necessary move to flatten the curve and ultimately put a stop to the spread of Covid-19.

In addition, for the non-Muslims, it means that they too have to avoid visiting their Muslim friends during the celebration. But Malaysians should hold their heads high that each-and-everyone are playing their role in defeating the pandemic. ☺

"On the upside, definitely there's plenty of savings as there won't be the usual Hari Raya expenditure.

- Ishmael Ho



DRESS UP AND SHARE THE LOVE



Ishmael said this year's Hari Raya appears to be a staying at home with plenty of hand sanitizer.



Like thousands of other celebrants, Sharifah will not balik Kampung to play her role in flattening the curve.



JANGAN BALIK KAMPUNG #KESANAKESINI



CELEBRATE WITH #NEWNORMAL



# Hopping on the online bandwagon

E-commerce benefits businesses and consumers alike amid trying times

By VIGNESWAR RAJASURIAN  
vignes@thestar.com.my

**O**NLINE shopping has grown more popular globally and Malaysia is no exception. With a relatively high internet penetration rate of over 80% and a growing appetite for e-commerce, it is hardly a surprise that Malaysians have turned to online shopping for the festive Raya season.

Coupled with the Covid-19 pandemic and travel restrictions imposed by the government, it would seem that online shopping is destined to play a more significant role in "the new normal". Business owners and consumers alike stand to gain, as survival and necessity dictate the adoption of online shopping.

## Convenience, pricing and variety

Tengku Muhammad Nasiruddin, 28, used online shopping to avoid long queue's and is comfortable with buying anything online with the exception of electrical appliances. In lieu of the

ongoing pandemic, he has ordered his baju melayu, sampin, kuih raya and other festive items from local online shops and boutiques.



Nasiruddin finds online shopping far easier and safer.

Others such as Wafa Walam, 25, also shop online but take a more cautious approach and only source for tried and tested merchandise. "If there's an outfit I've tried at the physical store and decided to not purchase at the time, I would find it online if I have a change of heart. Also, items I regularly use such as skin or haircare products I don't

mind buying online as it saves time and energy," she said.

Wafa does shy away from purchasing electronics or clothing that may not fit well and in lieu of the pandemic, believes it would be more practical to re-use decor from yesteryears and wear last year's baju kebaya. She does, nevertheless, choose to support local online businesses this year by buying Raya dishes, cookies and cakes.



Wafa said online shopping is about utmost convenience and the hassle-free experience.

The arguments for shopping online are compelling, even for the most reluctant of shoppers and its advantages well documented. According to a research paper titled E-Commerce: A Study on Online Shopping in Malaysia, how products are sold on the internet can be classified into two groups. These are for items that do not need to be seen or touched before purchases and experiential products that require physical interaction.

The research also cites a survey by ACNielsen Research on the reasons people shop online which include saving time/convenience (78%), better prices (51%), more selection (43%), easier shipping (40%), personalisation (28%) and the availability of more information on products (20%).

## A slice of the pie

According to the JP Morgan 2019 Payment Trends - Global Insights Report, Malaysia's four billion dollar e-commerce market has seen rapid growth in annual sales since 2015 and jumped by 47.8% in 2017 alone. The market is forecasted to



grow at a compound annual growth rate of 24% until 2021.

These forecasts likely predate the Covid-19 pandemic, and it remains to be seen if the existence of a contagious virus outbreak serves to aggravate online sales or whether a possible recession will dampen this growth. Nevertheless, the fact remains that the market is vast and small businesses stand to benefit with a fair share of the e-commerce pie.

Avoiding costly rental at prime locations and other overheads provides cost savings to businesses that can be passed down to the consumers. What makes online shopping appealing is that it offers a 24-hour storefront with accessibility from almost anywhere. Couple this factor with the availability of a wider range of products, consumers who have tight work hours need not limit themselves to the physical space of a brick-and-mortar store.



Suri innovated with new designs using limited raw materials as supplies were restricted during the MCO.

Suri Daman, 45, runs a company that manufactures headscarves and specialises in 'Slip-On Hijabs' as the brand calls it. With a production facility in Senawang and a headcount of just 30 local employees, she is able to leverage on e-commerce to reach out to customers across Southeast Asia. "Being online also allows us to start the business with much

lower investment, leaner inventories and workforce," she added.

Suri was also asked about the influx of shoppers during Raya and said, "Raya period, historically, is the best time for fashion and hijab. However, this year, we were unsure what it would be like due to the Covid and MCO. Yet, we remain positive in trying to manoeuvre through the pandemic for the best possible outcome".

The MCO had led to difficulties in logistics and raw materials, but Suri and her team pivoted quickly to serve more customers. She is running attractive promotions to pull in new and returning customers as well as engaging with audiences online via social media, among other means.



Orders for food is still high, said Gurmeet.

Gurmeet Kaur, 34, used her background in digital marketing to set up an online bazaar during Ramadan so SMEs, startups and home businesses can market their products digitally. The 26 to 28 vendors under her purview sell a variety of local cuisines as well as artisan soaps, homemade embellishments and other Raya related items. Her vendors also include RC Deaf Missions Malaysia that provides a livelihood for deaf employees by selling food and handmade ornaments.

"Demand is currently still there for food, drinks and small gift items (especially for Mother's Day and Raya hampers). Nothing too expensive as everyone is still

being prudent about their expenses since the situation is still uncertain" she said.

## Making the leap

Indeed, the current onslaught of a global pandemic has visibly forced businesses to adapt, thereby hastening the adoption of digitalisation quickly. During a period of economic uncertainty and mass unemployment, many recently retrenched employees are also setting up online enterprises as a means of income.

This is now easier, said Charles Gregory who is the chief executive officer (CEO) of a local digital marketing training company and the president of Digital Marketing Association Malaysia (DMAM). Having provided corporate training to more than 250 businesses and thousands of individuals, Gregory concluded that it is simpler now for companies and aspiring entrepreneurs to start using e-commerce, especially given the many successful case studies.

"Without any direct costing, individuals can start an e-commerce business even without any product. You can sell other people's products and get paid a commission", he added.

As an alternative to online marketplaces, Gregory said there are various platforms available to start one's own e-commerce site including more cost-effective open source options. For those unwilling to invest in learning how to set up e-commerce sites, the market rate to purchase a curated site is from RM10,000 to RM15,000.



Gregory said businesses and entrepreneurs should sell online to diversify traffic and marketing channels.

"Once the e-commerce site is set up, you don't need an IT professional to manage it, but you might need a website admin to update the e-commerce Stock Keeping Units (SKU)", he said.

Gregory advised people to use this time to learn these additional skills so that one can have an alternative income stream. ☞

**"Without any direct costing, individuals can start an e-commerce business even without any product. You can sell other people's products and get paid a commission.**

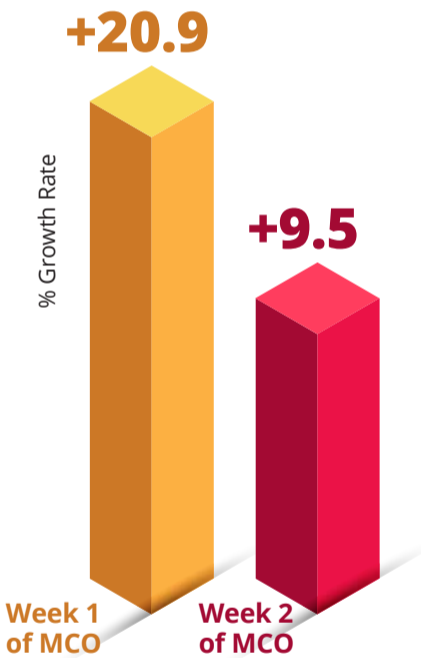
—Charles Gregory





FROM PAGE 2

**Retail growth rate of grocery retailers during the MCO, March 2020**



Source: Retail Group Malaysia

In the second week, shopping activities began to normalise as can be seen through the drop from 20.9% to 9.5%. As more Malaysians adopt home cooking, grocery retailers began to enjoy higher sales.

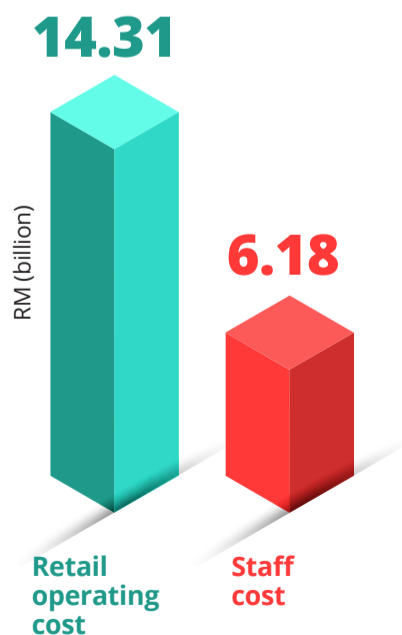
On the other hand, non-essential retailers were disrupted even though online shopping had been used extensively during the MCO. "Many non-essential retailers with online shopping facilities are not able to deliver the goods to their customers because of logistic problems. Since their goods are considered non-essential, they are not allowed to deliver to their customers," he said, adding that for those capable of doing so, it took weeks for the goods to be distributed to the buyers.

About 126,000 retailers, including 10% of stalls and markets, remained open during the MCO. They constitute 37% of the total retail outlets in Malaysia. This combined sale turnover accounts for 35% of the total retail turnover in the country.

Over 209,000 retail stores, including 90% of stalls and markets, were forced to shut down at the same time. They represent 61% of total retail outlets and 63% of total retail sales in the country. More than 732,000 retail employees are required to stay at home during this period without work.

Non-essential retailers also need to pay for most of the retail operating cost, even though their retail stores remain close. The total retail operating cost is estimated at RM14.3bil during the six-week duration. Such expenses include rent of retail premises, staff cost, utilities, head office expenses, insurances, taxes, advertising and promotional expenses, repair and maintenance costs, third-party professional services and others.

**Cost of operation of non-essential retailers during the six-week duration of the MCO**



During the six weeks of business closures, non-essential retailers still need to pay an estimated RM6.2bil in staff cost including salaries and wages, allowances, EPF and SOCSO contribution.



**"The partial lockdown in the last two weeks of March led to zero revenue for non-essential retailers in the whole country."**

- Tan Hai Hsin



**Retail to recover by the third quarter**

Retail Group Malaysia predicted a growth rate of 2.5% for the third quarter of 2020, with a projected growth rate of 3.3% during the fourth quarter. However, due to the high negative growth rates during the first half of this year, the retail industry is expected to contract by 5.5% for the entirety of 2020. Tan drew parallels to the year 1998, or the first year of the Asian financial crisis, where the Malaysian retail industry contracted by 20%.

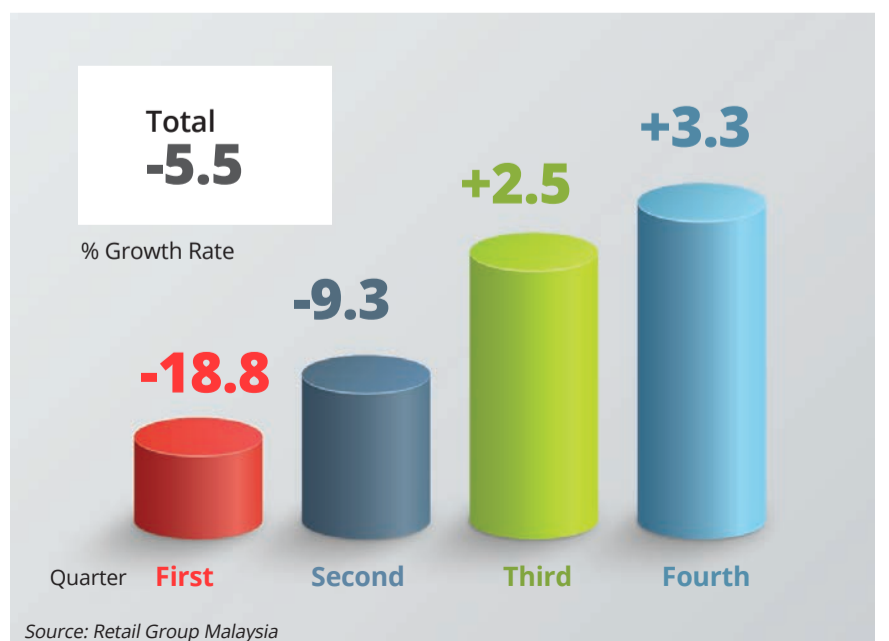
In the event the national economy is unable to recover by the second half of this year, Malaysians may be reluctant to spend due to either a drop in take-home pay or lower consumers'

confidence level. Therefore, the main focus of the government is to improve the economy of the country.

To stimulate consumer spending, Tan recommended a government initiative where a nationwide shopping festival can be organised during the second half of this year. The event should boost retail spending by getting all the retailers to offer attractive discounts.

From a macroscopic perspective, Tan explained that time is required for retail businesses to recover, as consumer spending gradually returns to the same buying momentum as per last year. "We can expect about 15% of the total retail supply or at least 51,000 stores to close down in Malaysia within the next six to eight months," Tan cautioned.

**Retail growth rate, Malaysia 2020**



Source: Retail Group Malaysia