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FEDERATION OF MALAYSIAN CONSUMERS ASSOCIATIONS (FOMCA)

GABUNGAN PERSATUAN-PERSATUAN PENGGUNA MALAYSIA

NO. 24, JALAN SS1/22A, 47300 PETALING JAYA, SELANGOR

TEL: 03-7877 4741, FAX: 03-7873 0636, EMAIL: [fomca@fomca.org.my](mailto:fomca@fomca.org.my) WEB: [www.fomca.org.my](http://www.fomca.org.my)

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Dear Editor

## **PANIC BUYING AMIDST THE COVID-19 CRISES**

There have been extensive reports of panic buying by Malaysians, firstly for face masks and now even for groceries, essential food items and even for cleaning fluids, during the current Covid-19 virus crises. Panic buying creates serious negatives consequences for the rakyat.

We are already seeing a severe shortage of face masks and hand sanitizers. This means that those who really need it may not be able to find it available. Also, due to the panic buying, retailers have been able to change excessive prices to make exorbitant profit. Unfortunately, face masks are controlled products, with the government determining the price that it can be sold. Still, nineteen Malaysian companies have been fined for hiking up the price of face masks since the COVID-19 reached the country.

Malaysian should quickly ban the exports of face masks to ensure Malaysians are given priority in the purchase and use of face masks to protect themselves.

The current spate of panic buying for food and other essential items is also a major concern to the company and to the wellbeing of consumers. In several supermarkets, shelves are empty. Panic buying causes shortages. People, especially vulnerable people, most in need of these essential, will find it difficult or impossible to purchase these essentials, as they have simply become unavailable. Secondly, panic buying causes price to increase substantially, as it causes the suppliers to increase prices to make excessive profits. The nineteen cases of retailers charged under the Anti-Profitteering Act is the proof that suppliers will take advantages of the virus crises to make excessive profits.

Panic buying also creates a toxic environment at the mall. Shortage of parking spaces, long queues to make payment, empty shelves and very anxious and fearful consumers, desperate to make their purchase. In fact, according to an article in BBC, one international media, it was reported that in Malaysia, hoarding has driven 800% increase in weekly sales of hand sanitizers.

Why do people engage in panic buying? Experts suggest that the answer lies in a fear of the unknown and believing that a dramatic event warrants a dramatic response, even though, in this case the best responses maybe something as mundane as washing your hands.

Panic buying helps people feel in control of the situation. Under crises situation, people need to do something that is proportionate to what they perceive is the level of the crises. We have been constantly advised that washing your hands and practicing coughing hygiene is all you need at this point. But for many people hand washing seems too ordinary. This is a dramatic situation, therefore a dramatic response is needed, so that leads to people throwing money at things in hope of protecting themselves.

Experts also suggest that herd mentality adds to the behaviours. The fact that panic buying is happening, can prompt other people to participate. Further panic buying is exacerbated through the social media and news media, that amplifies the sense of scarcity, which worsens the panic buying.

Some experts also suggest that panic buying can be made worse when people's trust in the government in handling such crises is low. The critical ingredient is good information. If the government can address the public fear and uncertainty, it can potentially reduce panic and last minutes-buying.

To date, FOMCA believes that the Ministry of Health has been handling the crises pretty well by its constant advisories and keeping people informed of the unravelling crises in Malaysia and throughout the world.

FOMCA calls on all Malaysians, during this time of crises, to trust the government in handling of the crises, practice washing of hand and good hygiene practices and very important, stop the panic buying. With normal purchases, all essential foods and other items would be available and prices would drop to "normal". Also, the trip to the supermarket would be as peaceful as normal times, without the fear and the anxiety.

Prof. Emeritus Datuk Dr. Marimuthu Nadason.  
President, FOMCA

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Contact Person : Mohd Yusof Abdul Rahman  
Tel Office : 03-7876 4648  
Hand phone : 013-348 4990  
Email : [myusof@fomca.org.my](mailto:myusof@fomca.org.my)

Contact Person : Dato Paul Selvaraj  
Tel Office : 03-7876 4648  
Email : [paul@fomca.org.my](mailto:paul@fomca.org.my)