
EFFECTS OF PANDEMIC COVID-19 ON THE MALAYSIAN ECONOMY, FOCUSED ON FIVE IMPORTANT INDUSTRIES AND SHARIAH VIEWPOINTS

Muhammad Haiqal bin Tajuden¹, Muhammad Nabil bin Norhasmy², Muhammad Rizwan
Nasution bin Mohd Idris³, Muhammad Adham bin Mohamad Ares⁴, Muhammad Faizzuwan bin
Mustafa⁵, Fuadah Johari⁶

Universiti Sains Islam Malaysia^{1,2,3,4,5,6}

Email: m.haiqaltajuden25@gmail.com¹, nabilhasmy1@gmail.com²,

m.rizwannasutions@gmail.com³, adhamares19@gmail.com⁴, iwanmusta7@gmail.com⁵,

fuadah@edu.my⁶

Abstract

Globally, more than 4.3 million confirmed cases and more than 2,90,000 fatalities occurred due to the COVID-19 disease outbreak, which profoundly affected the entire planet. This has also fanned fears of a forthcoming economic collapse and recession. This type of event is referred to as a "black swan" because it adds unexpected and unique aspects to the economic environment and has the potential to start a chain of unfavourable reactions and market disruptions. As a result of social isolation, self-isolation, and travel restrictions, there has been a drop in the labour force across all economic sectors, resulting in the loss of several jobs. In addition, due to the closing of schools, demand for commodities and manufactured goods has decreased. On the other hand, the need for medical supplies is expanding rapidly. Through the end of 2019, the five primary economic sectors generated money and employment. Early in 2020, however, these industries encountered a major economic and employment crisis due to the COVID-19 outbreak. The COVID-19 outbreak has greatly affected the economic and social conditions of the nation, particularly regarding these five core economic activities. This study's objective is to examine the effects of COVID-19 on the agriculture, manufacturing, construction, services, mining and quarrying sectors. To achieve this purpose, this study employed descriptive analysis to examine performance data encompassing 10 years (2012 - 2021). The findings indicate that the COVID-19 epidemic has a substantial and negative impact on the Malaysian economy.

Keywords: COVID-19; agriculture; mining and quarrying; manufacturing; construction.

1. INTRODUCTION

Disease outbreaks are a serious global problem because they can lead to insecurity and have significant negative effects on not only health but also social, political, and economic instability, as we can learn from one of the most deadly and virulent pandemics, the Spanish Flu, which killed up to 20–50 million people in 1918–19, had a negative impact on the labour supply and sparked an economic crisis. The COVID-19 Pandemic is Malaysia's worst infectious disease epidemic since the Spanish Flu, which killed 1% of the country's population in British Malaya. Only two people died from the SARS outbreak in 2003, whereas 105 Malaysians perished from

the Nipah virus outbreak in 1999. In contrast to the economic and other sector side effects of the outbreak, many studies on the issue of previous disease outbreaks have concentrated on the medical research perspective and the direct impact on the health sector. This is because the traditional scope of assessing the economic impact of human disease events has frequently been confined to basic direct costs, i.e., medical costs, and limited indirect losses like lost wages (Kristine et al., 2019). To address the crises' effects on all impacted sectors, the unprecedented pandemic COVID-19 with its worldwide spread and protracted contagion still needs to be thoroughly studied by specialists and academics as well as multilateral cooperation.

Beginning in early December 2019, this illness quickly spread among the people of Wuhan City, Hubei Province, China. The fact that cases of pneumonia with an unknown origin were being reported made this situation exceptional. On December 31, 2019, the Chinese government notified the WHO of the virus. An extremely dangerous contagious disease called COVID-19 has been ravaging the world for more than a year. Rapid global development of the virus has led to major public health issues and an economic downturn. The COVID-19 outbreak was deemed a pandemic by WHO on March 11, 2020, urging all nations to take containment measures and step up their efforts to stop the disease's spread. The outbreak is primarily driven by and centred in the United States, India, and Brazil, with the most COVID-19 positive cases cumulatively reported. According to a 2020 study by Eskild et al., the COVID-19 Pandemic caused more morbidity and mortality among the elderly than an influenza outbreak did.

When neighbouring Singapore reported its first imported COVID-19 case from Wuhan, China, on January 23, 2020, the threat posed by COVID-19 became more obvious. Less than 48 hours after the case in Singapore was announced, the first COVID-19 case in Malaysia was reported on January 25, 2019. Additionally, Malaysia has accumulated cases totalling more than 1.24 million. The unusually rapid development of COVID-19 has prompted countries to implement restriction and lockdown measures to stop the spread of this disease, as advised by the WHO. On March 18, 2020, the Malaysian government started enforcing the Movement Control Order (MCO). MCO enforcement became increasingly strict as roadblocks were placed throughout the nation and military forces were called into service.

In comparison to the time before the adoption of MCO, MCO methods have been proven to lower the number of contacts per case per day and to manage the ensuing COVID-19 Pandemic more successfully. The official media has been crucial in delivering updates on the MCO and advising people throughout the country to stay at home, avoid needless travel, maintain good personal cleanliness, and maintain social distance during the MCO's effective duration. MCOs that prioritise adherence to social containment in public settings are thought to

be helpful in lowering viral transmission and then eradicating transmission. This action also contributes to levelling the epidemic's epidemiological curve and length of time. Table 1 shows the various types of MCOs the government has implemented since the first MCO in March 2020.

Table 1
Movement Control Order by phase, Source Prime Minister's Office (PMO)

Phase	Date
Movement Control Order (MCO, March 18 2020 – May 3 2020)	
Phase 1	March 18 2020 – March 31 2020
Phase 2	April 1 2020 – April 14 2020
Phase 3	April 15 2020 – April 28
Phase 4	April 29 2020 – May 3 2020
Conditional Movement Control Order (CMCO, May 4 2020 – June 9 2020)	
Phase 1	May 4 2020 – May 12 2020
Phase 2	May 13 2020 – June 9 2020
Recovery Movement Control Order (RMCO, June 10 2020 – March 31 2021)	
Phase 1	June 10 2020 – August 31 2020
Phase 2	September 1 2020 – December 31 2020
Phase 3	January 1 2021 – March 31 2021
Full Movement Control Order (FMCO, June 1 2021 – further notice)	
Phase 1	June 1 2021 – June 14 2021
Phase 2	June 15 2021 – June 28 2021
Phase 3	June 29 2021 – further notice (Daily cases less than 4,000)

The effects of the Pandemic could be seen not just in the days after the crisis but also for a long time. Both domestic and international economic activities were slowed down. Less spending by consumers and less production hurt business, the flow of goods and services, and the flow of money, which worsened the economy. Due to the first major Pandemic, which has stopped almost all economic activities worldwide, it is hard to predict how fast the economy will grow.

This paper aims to look at how the COVID-19 outbreak has affected the Malaysian economy by looking at the agriculture, mining and quarrying, manufacturing, construction, and service industries. The results of this study will help people understand how COVID-19 affects the Malaysian economy. They will also help policymakers make the best decisions for the economy's revival and follow the MCO's guidelines to ensure that all sectors are well managed. To ensure the government is effective in this impact decision, it needs to put the right policy or solution for the right group of people. Moreover, to make a good national policy, we need to know the expected economic effects for 2021 and the next few years. This is hard, though, because such a big economic shock has never happened before.

The following is how the structure of this study is set up: First, we begin by providing a literature review analysis of the previous research and publications that have been done on the

topic of the COVID-19 Pandemic's effects on the economy. The mechanism behind the data collection has also been described down. The analysis of the data is discussed in Section 2. In Section 3, a summary of the result and discussion is provided, considering the Syariah perspective and the Naqli Aqli. The conclusion of this study will be presented in the final section.

2. METHODOLOGY

A. Data Collection

Data collection processes are conducted by collecting and searching for data from various valid sources; this type of data is known as secondary data because it is acquired from existing and valid information sources. In addition, this study incorporates data acquired from journal publications that have been analysed and researched, as well as some information from the official government website.

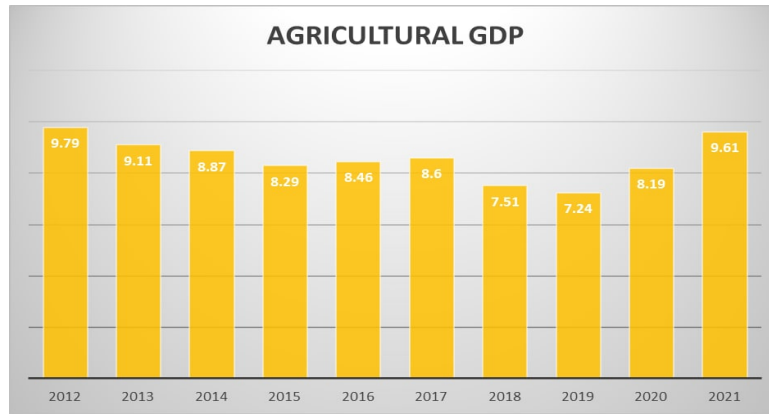
Most of the information for these five most important industries comes from websites that display accurate and credible statistics. For the agriculture industry, for instance, the data is obtained from the global economy website, whereas the data for the mining and quarrying industries is obtained from the ceicdata.com website. There is additionally the statisca website, where this website is utilised to find performance data for the construction industry and industrial services. The data for the manufacturing sector of this study came from the macrotrends website. The official website of the Prime Minister's Office is another source for the MCO statistics, which is presented in the form of a table. This research acquired information from the Department of Statistics in Malaysia.

In addition to that, we make use of information obtained from already researched and browsed scholarly journals. For example, we were able to find out where the drop in production in the agricultural sector took place thanks to an article written by Rashidi, M. N., Abdul Fatah, F., and Saili, A. R. The article is titled "COVID-19 and food security in Malaysia: Implications on smallholding agriculture." We obtained this information from the article. In addition to this, we also collect and utilise data from several other articles.

B. Data Analysis

Figure 2.1 illustrates the agricultural industry's performance over a decade. Here, we shall divide it into three conditions, with 2012 to 2019 representing the situation preceding the COVID19 Pandemic and the trend demonstrated to be cyclical in nature. In 2020 and 2021, the proportion of GDP will increase due to this industry being the most important and the termination of MCO being announced.

Figure 2.1
Value added in the agriculture industry in Malaysia as a percent of GDP



Data Source: theglobaleconomy.com

Figure 2.2
Agricultural Production in April 2020 Versus Average production for months before MCO

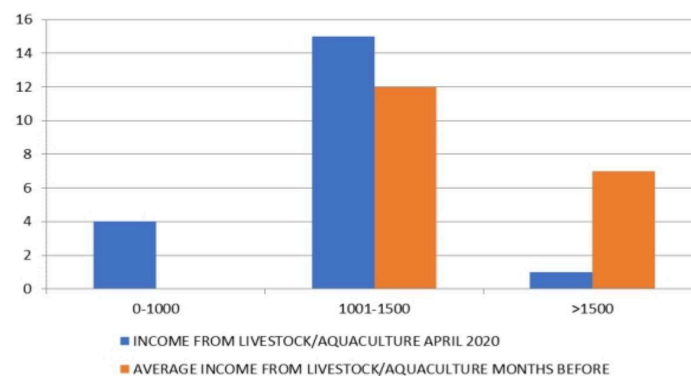
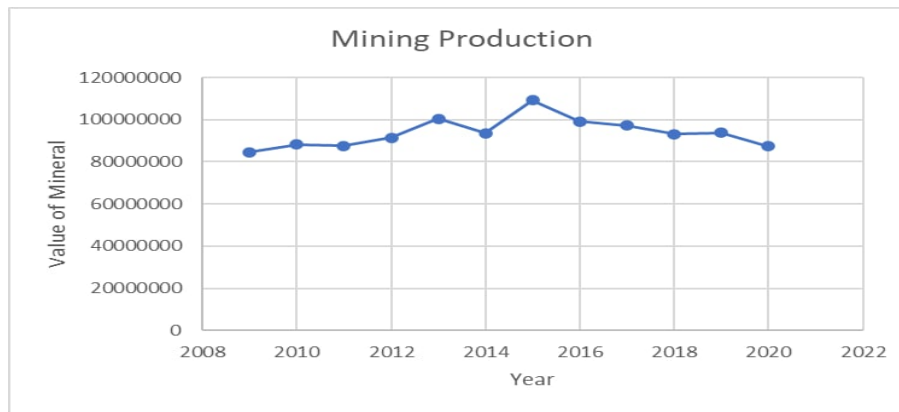


Figure 2.2 indicates production frequency in 5 categories. On April 28, RM0-1000 respondents produced agricultural goods, whereas just 6 produced average goods. The lowest production group had more April respondents. For a category over RM4000, on April 7 and 14, average responses were received. April production is highest in the lowest category. Average production has more responses than the highest. Figure 6 shows that respondents' production was higher before MCO than in April, when the government announced food and business closures.

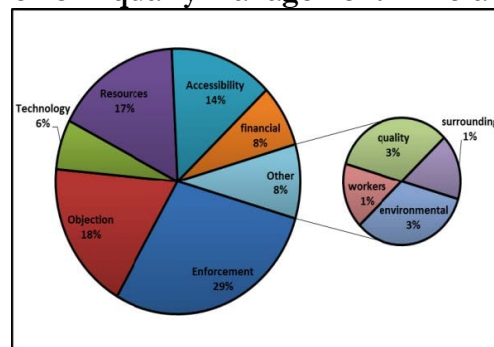
Figure 2.3
Malaysia's minerals production from 2009 to 2020



Data Source: ceicdata.com

The Mining production within the mining and quarrying industry is depicted in Figure 2.3 From 2009 to 2018, the production trend is cyclical and is expected to increase in 2019. In 2020, however, it begins to decline due to the Pandemic and other factors. Figure 2.3 concludes that the production of minerals prior to the COVID-19 Pandemic exhibits a normal trajectory, however the Pandemic in 2020 will result in a decline in mineral production.

Figure 2.4.
Issues and problems in quarry management in Perak (Private Sector)

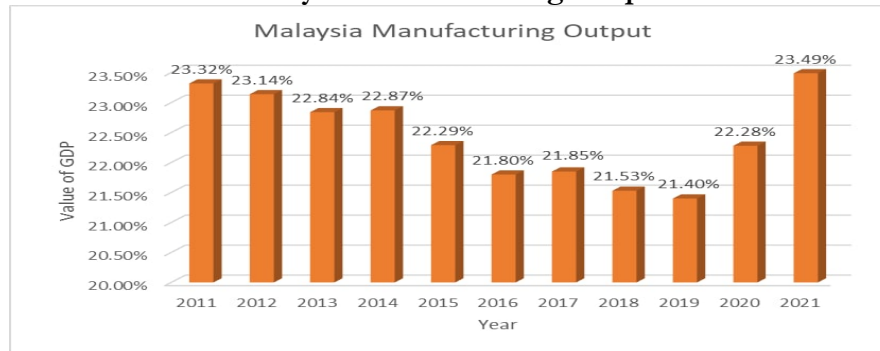


Data Source: Mohd Nadzri Jaafar, Nurul Izzati Tarmizi, (2019).

At the conclusion of the data collection procedure, it was determined that quarry management in the state of Perak faces six primary challenges and issues. Concerns raised by the private sector are grouped together under this heading. Figure 2.4 presents the findings of the issues and problems that have been identified in quarry management in the state of Perak, as indicated by 45 participants representing 45 different quarry enterprises that are now

operating in the state. Among the issues and problems are technology, resources, accessibility, financial, objection, enforcement and others.

Figure 2.5
Malaysia Manufacturing Output



Data Source: macrotrends.com

The pattern of production that can be seen over a period of 11 years in Figure 2.5 comes from industrial manufacturing. It demonstrates both growth and shrinkage from 2011 all the way through 2019. And then there is a significant jump in the years 2020 and 2021. This occurred as a result of a pandemic that struck Malaysia as well as several other circumstances. Because of this, the conclusion that can be drawn from figure 2.5 is that production is growing in comparison to the time before the covid 19 pandemic.

Table 2.1
Perceptions of respondents on impact of COVID19 on consumer goods and product
(Field Survey 2020)

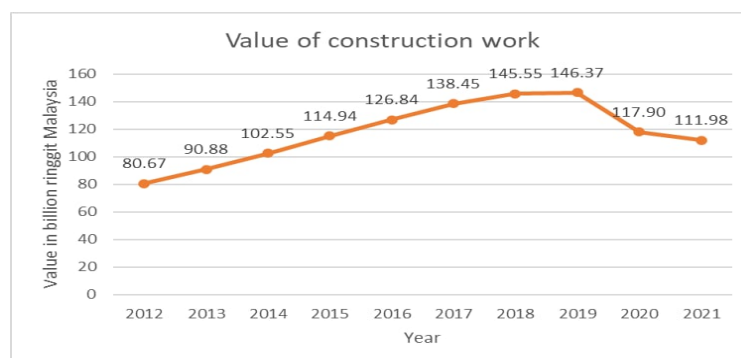
S/N	Items	Frequency					Mean	Standard Dev.
		SA	A	U	DA	SDA		
1	COVID19 Pandemic has adversely affected the Malaysia Economy	68	7	25	0	0	4.61	0.618
2	There have been substantial production disruptions as a result of forced business closures and the inability of workers to get to work	78	22	0	0	0	4.78	0.416
3	COVID19 lockdown has drastically reduced the consumption consumer pattern in Malaysia	61	28	11	0	0	4.50	0.589
4	Reduction in production and consumption in Malaysia is due to lack of importation from China	63	19	10	8	0	4.37	0.960
5	Panic among consumers and firms has distorted usual consumption pattern and created market anomalies	66	21	13	0	0	4.53	0.717
6	The impact of COVID19 on the economy will only last a short term	64	34	1	1	0	4.61	0.567
7	Malaysian economy may likely go into recession before the end of the year	0	10	16	36	38	1.98	0.974
8	Reduction in income due to closure of business is the root cause of change in consumer behaviour	64	19	12	5	0	4.42	0.890
9	The government of Malaysia is making a drastic effort to stabilise the economy recovery plan will	56	27	15	2	0	4.37	0.812

10	The government's stimulus packages, and the short-term economic recovery plan will soften the impact of the COVID19 Pandemic and pave a path towards economic recovery.	61	33	4	2	0	4.53	0.674
----	---	----	----	---	---	---	------	-------

Data Source: Asnidar Hanim Yusuf, I. O. O. (2022).

Table 2.1 illustrates respondents' opinions on COVID-19's influence on Malaysia's economy. Perceptions were measured using a 5-point Likert scale. SA (5 points), A (4 points), U (3 points), DA (2 points), SDA (1 point). Table 2.1 also indicates a mean score of 4.61 for the first item, showing that respondents strongly think that COVID-19 has hurt Malaysia's economy. The respondents also strongly agreed with the second item, which indicates that production disruptions have occurred owing to forced business closures and workers' incapacity to travel to work, with a mean score of 4.78 and SD of 0.416. The third item, that COVID-19 lockout has lowered Malaysians' consumption, received a mean score of 4.5. Table 2.1 shows that respondents agreed with item 4 by a mean of 4.37 and SD of 0.96. Item 5 was strongly agreed upon with a mean score of 4.53 and SD 0.717. Item 6 shows that respondents strongly agreed, with a mean score of 4.61 and SD 0.567, that COVID-19's economic impact will be short-term. With a mean score of 1.98 and SD 0.974, respondents disagreed with item 7, which states that the Malaysian economy may plunge into recession before the end of the year. Item 8 asserts that income loss due to firm closure is the primary cause of consumer behaviour change. Respondents agreed with a mean score of 4.42 and SD 0.890. With a mean score of 4.37 and SD of 0.812, respondents agreed that Malaysia's government stabilises the economy. The tenth item, "The government's stimulus measures and short-term economic recovery plan would mitigate the impact of the COVID-19 epidemic and establish a path towards economic recovery," received a mean score of 4.53 and SD 0.674.

Figure 2.6
Value of Construction Work in Malaysia



Data Source: statista.com

The value of construction work over a period of ten years is illustrated in Figure 2.6. The data indicates a healthy increase in the value contributed by the construction industry from 2012 through 2019. Despite this, the value of construction work dropped between the years 2020 and 2021, which demonstrates the enormous impact that COVID19 had on the construction industry in terms of maintaining the value of the industry's work. The data shown in Figure 2.6 leads one to the conclusion that the value of building work has remained consistent and even increased before the Pandemic that occurred in 2020 and 2021.

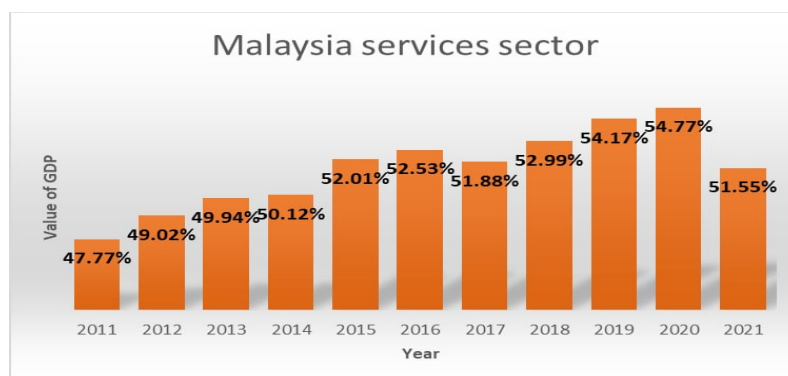
Table 2.2.
Assessment on impact of COVID19 towards construction industry

Category	Statements from Google Form Survey	Frequency Levels of Impact					AI
		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	
Malaysia Employee	Feel safe during working	28	12	23	8	3	2.27
	Affect personal financial	6	9	23	12	24	3.53
	Need to find other ways to get financial resources	7	13	20	16	18	3.34
	Affect mental health	1	5	19	23	26	3.92
	Ever thought about quitting job	46	5	8	5	10	2.03
Malaysian Employer	Feel safe during working	0	1	1	2	1	3.60
	Affect personal financial	1	1	0	0	3	3.60
	Need to find other ways to get financial resources	1	0	1	1	2	3.6
	Affect mental health	1	2	2	0	0	2.20
	Ever thought about shut down company	1	1	1	1	1	3.00

Data Source: Riza, Nurirdina Maisarah Muhammad, Muhammad Farhan Haqimi Abdul Latiff, and Muhammad Aiman Hamzah (2022).

Table 2.2 presents the analysis of online survey data from 79 respondents who rated Covid-19's influence from 1 to 5. 5 of the 74 responders are Malaysian employers. Covid-19 epidemic generates harmful working conditions for employees and contra for employers, according to Table 2.2 statistics.

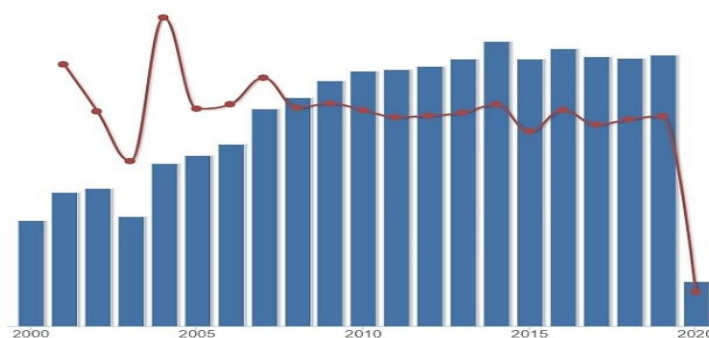
Figure 2.7
Value of GDP Services Industry in Malaysia



Source Data: Statista.com

Figure 2.7 depicts the value of the service industry's contribution to Malaysia's gross domestic product (GDP). From 2012 to 2019, the value of the service sector's GDP will rise and fall following usual patterns. And in 2020, there was further growth, followed by a decline in 2021; consequently, we may assume that this decline was caused by the impact of covid19 on this industry and other external circumstances.

Figure 2.8
The progression of the Malaysian tourism industry's growth



Source Data: Hamid, R., Hashim, N. H. M., Shukur, S. A. M., & Marmaya, N. H. (2021).

The progression of the Malaysian tourism industry's growth route is depicted in Figure 2.8. From the year 2000 up until 2019, the tourism industry displays a healthy increase and drop, demonstrating that Malaysia's tourism business receives a positive response from visitors from other countries. However, the effects of the COVID19 Pandemic on the country and those of other external forces are likely to have led to a significant drop by the year 2020.

3. RESULT AND DISCUSSION [font Garamond 12; 1.15 spacing; Bold]

A. Syariah Prespective and Naqli Aqli

In this section, this study will go over the findings and conclusions that came after conducting research into the effects that COVID-19 has on Malaysia's five most significant economic sectors. Aside from that, we also include our thoughts from the perspective of Syariah and naqli aqli. Not only that, but in accordance with the title of this section, we will also link the information that we gathered from our research and the data that we obtained

from academic articles to the syariah perspective. As a result, we will begin with the agriculture industry, move on to the mining and quarrying industry, then the manufacturing sector, then the construction industry, and finally wrap up with the Malaysian services.

B. Argiculture Industry

Based on the data obtained in 10 years, there is a change in the graph of GDP agriculture in our country. As a result of findings from Rashidi et al, (2021) article journal about COVID-19 and food security in Malaysia: implications on smallholding Agriculture, the author identified a decrease in agricultural product production rate before covid and after the government implemented the MCO. This reduction rate has the same relationship with the GDP for Malaysian agriculture, which also shows a downward trend as shown in the data that we collected from a reliable source which is theglobeconomy.com. Although there was a decrease in 2018, the year before the covid-19 Pandemic hit the country, the decrease continued in 2019 at the lowest rate of 7.24 over the previous ten years. ("Department of Statistics Malaysia Official Portal." This is the effect of the outbreak of covid 19 at the beginning of 2019. What is interesting to see here is how the increase in the GDP rate for agriculture will occur in 2020, where the government will implement the MCO on March 18, 2020. (Harian Metro,2020) Despite the existence of this Movement Control Order, the production rate of agricultural products is still seen to have an increase from the previous year, which is at a rate of 8.19 in 2020 with an increase of 0.95 percent. This can be linked to a hadith of the Prophet Muhammad narrated by Imam Ahmad which is: -

إِنْ قَامَتِ السَّاعَةُ وَفِي يَدِ أَحَدِكُمْ فَسِيلَةٌ، فَإِنْ اسْتَطَاعَ أَنْ لَا تَقُومَ حَتَّى يَغْرِسَهَا فَلْيَغْرِسْهَا

Meaning: "If the Day of Judgment occurs while one of you has a plant seed in his hand, then if he is able before the Day of Judgment to plant it, then plant it."

This hadith illustrates to us how important agriculture is that even when the world is at its end, people are encouraged to continue farming. This shows that this field cannot be neglected at all because it is the main contributor to human life. Agriculture is an act of worship (Ashraf Mohammad, 2019). Indirectly it can be seen that the increase in the GDP rate that occurs even when the community experiences movement restrictions have a connection with the hadith of the prophet who suggests that we continue to live even if we are in a difficult situation.

Apart from that, agriculture is an important and necessary sector for humans. This is because the agriculture sector supplies the basic needs of humans, which is food. From an Islamic perspective, the basic need is daruriyyat, which is needed and desired to the point of

emergency. (Ab Rahman et.al, 2017). The conclusion is that in any situation, the human need to survive is to have food to eat. So that is why the GDP rate is seen to increase even though Malaysians are experiencing difficult times at that time. Despite the decrease in the GDP rate in 2019, but a direct increase can be seen in 2020 to 2022 due to the economic sector that is increasingly reopening after the covid-19 epidemic has been controlled by the government with the provision of vaccines. Gradually the economic sector is reopened, and MCO is no longer carried out. As a result, the pandemic did not affect a sector for a long time because the human being would get out of his comfort zone when sitting under pressure.

C. Mining and Quarrying Industry

Malaysia has a lot of mineral resources, and mining (including oil extraction) makes up a big part of the country's GDP, even though it employs only a few people. Tin, bauxite (which is made of aluminium), copper, and iron are the most important metal ores. Manganese, antimony, mercury, and gold are some of the minor ores that can be found in the country. Tin is mostly found in alluvial deposits along the western slopes of the Main Range in Peninsular Malaysia. There are also some smaller deposits on the east coast of the peninsula. During the middle of the 20th century, tin production was a key part of the country's economic growth.

وَأَنْزَلْنَا الْحَدِيدَ فِيهِ بَأْسٌ شَدِيدٌ وَمَنْفَعٌ لِلنَّاسِ وَلِيَعْلَمَ اللَّهُ مَن يَنْصُرُهُ وَرُسُلَهُ بِالْغَيْبِ إِنَّ اللَّهَ قَوِيٌّ عَزِيزٌ

Which Means: And We sent down iron, wherein there is awesome power and many benefits for people, so that Allah may know who, without even having seen Him, helps Him and His Messengers. Surely Allah is Most Strong, Most Mighty.

From the Quran, Allah granted iron (al-Hadid) as a gift of infinite worth and utility in that verse. We can see in our daily lives that iron has several benefits for people. Humans may employ iron to make a variety of facilities, including domestic items, marine, land, and air vehicles. Humans may build the strength of the nation and the country with iron because iron is used to manufacture all the state's military and security equipment, such as guns and war vehicles. Furthermore, due of iron, skyscrapers can be built. This demonstrates how significant the mining and quarrying industry sector in Malaysia is, which is also the reason why this sector of the economy is there in Malaysia in the first place: to further strengthen the economy of the country. As a result, the mining and quarrying industry will also be negatively impacted by the covid19 epidemic. This is because, in addition to covid19, there are a variety of outside factors that contribute to the decline in performance of this industry.

According to a study conducted by Mohd Nadzri Jaafar and Nurul Izzati Tarmizi (2019) titled "Issues and Challenges of Quarry Management in Malaysia" the researcher showed the

data they studied to 45 company quarries in Perak, Malaysia, and listed six issues and problems to the respondents in terms of enforcement, objection, technology, resources, accessibility, financial, and others. Most respondents believed that enforcement is a factor in Malaysia's quarrying and mining industry's downturn. This is due to the government's enforcement and procedure being excessively cumbersome and costly. The proof is that the approval of the licence and permit applications is also taking an unreasonable amount of time, which is within three months.

Next, the data acquired from [statista.com](https://www.statista.com) reinforces our conclusions in assessing the influence of covid19 on the Malaysian economy, particularly these five key industries. According to Malaysiakini, Malaysia Smelting Corporation Bhd (MSC) reported decreased profitability owing to a disappointing contribution from the tin smelting and mining company segment, which was impacted by the worldwide trade disruption caused by the covid-19 Pandemic. The implementation of multiple phases of the movement control order at the time hampered several economic activities, including some of the sector's growth factors, such as mining, labour problems, transportation, and worldwide trade. In recent years, the poor performance of natural gas, crude oil, and condensate has also contributed significantly to the sector's shrinkage. Therefore, this significant sector requires sufficient aid to increase its performance in providing an alternative source of income that possesses a great deal of promise for the nation. Because of the interruption, mining businesses should evaluate the necessity of implementing stringent cash flow controls, cost reductions, and business continuity measures to limit any prospective supply chain disruption risk. There is no doubt that the mining and quarrying sector frequently serves as the inspiration for creating a wide range of cutting-edge buildings, infrastructures, and facilities that aspire to advance a global civilisation. Additionally, it serves as a stimulus and a crucial element for nations worldwide to work toward achieving the position of industrialised, developed, and high-income nations. According to Malaysia Kini (2020), Shamsul Anuar Nasarah, Minister of Energy and Natural Resources of Malaysia, stated that this industry had produced around 15,275 jobs, 83.57%, or 12,766, are local jobs.

D. Construction Industry

The construction industry in Malaysia is one of the productive sectors that has made a significant contribution to the economy of Malaysia as a growth catalyst for other industries. This contribution has been made possible because the construction industry is one of the most prominent industries in Malaysia. The federal government of Malaysia plays a significant part in the country's thriving building sector. A higher standard of living for the populace is

one of the government's goals, and one of its primary responsibilities is distributing the nation's resources among its citizens. This can be accomplished by increasing people's salaries and creating additional employment opportunities. However, according to the data we obtained from statista.com regarding the value of construction work in Malaysia over a period of 10 years from 2012 to 2021, there is a change in the graph of the value of construction work in billion-ringgit Malaysia. The data or graph results show a significant decrease since 2020 compared to the previous year, when Covid-19 affected the entire country, particularly Malaysia. The value increased from 2012 till 2018 before pandemic Covid-19 but dropped to RM 117.90 billion in 2020 from RM 146.37. (Statista Research Department, 2022) The rate of decline has continuity with the data obtained from the assessment on the impacts of Covid-19 towards the construction industry “The Impact of Covid-19 Pandemic to the Construction Industry in Malaysia” by Riza, Nurirdina Maisarah Muhammad, Muhammad Farhan Haqimi Abdul Latiff, and Muhammad Aiman Hamzah.

The data in the article was analysed, and several main points were extracted, including the fact that the Covid-19 outbreak causes unsafe working conditions for employees and employers. During Covid-19, most employers must work from home, which makes them feel safe. However, the majority of employees did not tend to quit their job due to difficulties in finding a new opportunity of working in a new company during this outbreak. However, when the government implemented Movement Control Order (MCO), most construction work in Malaysia was discontinued. (Bernama,2020) Indeed, the construction industry is entirely dependent on the labour force. Labour is essential to the development of construction management procedures. The shortage of skilled labour has negatively influenced construction costs, schedules, and performance. As a result, we can see a drop in the construction industry's performance because the workers in that field are likely to be impacted by COVID-19. The rate of decline indicated by these statistics can be attributed to several hadiths, including: From Anas bin Malik RA, the Prophet PBUH said:

لَا تَقُومُ السَّاعَةُ حَتَّى يَتَبَاهَى النَّاسُ فِي الْمَسَاجِدِ

Meaning: “The Last Hour will not come until people vie with one another about mosques.”

The hadith state that people will compete with the construction of their mosques, saying that our mosque is more beautiful, big, tall, great with feelings of riyak, sum'ah (love to hear) and look for praises. However, there are some circumstances that make a mosque a fitnah at the end of the world. Muhammad Mushfiqu Bin Ahmad Ayoub @ Ayub, (2019) The preceding hadith clarifies that Islam does not encourage construction and that it is not

beneficial for people to build mosques in their homes. This can also be linked to the following hadiths: -From Anas bin Malik RA, the Prophet PBUH said:

“Every building will bring bad consequences to the one who built it,
except that (which is necessary).”

The government does not prioritise the construction industry because it is considered a secondary sector rather than a primary sector. This is because the government felt it was more important to prioritise the primary sector than the secondary sector to maintain control of the very vulnerable situation during the epidemic and the MCO. Furthermore, according to this hadith, carrying out construction work is meaningless at any point in time, not just during the Pandemic caused by the Covid-19 virus. The reason for this, as stated in the hadith, is that each new advancement will bring along its own unique set of adverse effects. Because of this, the government did not prioritise building activity during the Covid-19 Pandemic. In addition, the temporary shutdown of the construction business during the COVID19 outbreak will help protect the health of those who work in the construction industry. On the other hand, when our nation begins to recover from the covid-19 epidemic, the construction industry will occasionally experience growth. In conclusion, the value of construction activity in Malaysia will increase, directly contributing to Malaysia's Gross Domestic Product.

E. Manufacturing Industry

According to Macrotrend.com, the data we collected reveals a pattern of change in the GDP value in Malaysia's manufacturing sector over the past ten years. Prior to the Covid-19 pandemic epidemic, the value of the production sector was around 21%. However, there was a growth in the GDP value of the production sector at the time of the Covid-19 Pandemic and after the Covid-19 Pandemic at a rate of 22.28% and 23.49%, respectively. This upward trend demonstrates that, in contrast to other sectors, the manufacturing sector is not impacted by COVID-19 and contributes to the expansion of the Malaysian economy. According to the Department of Statistics Malaysia (DOSM), the manufacturing industry is Malaysia's most significant sector. If this industry is shut down, it will hurt the nation's economy and the chain of needs for people. The evidence, in accordance with Malaysia's Minister of Finance, Tengku Datuk Seri Zafrul Tengku Abdul Aziz said that if the Malaysian government shuts down the economy, the nation will suffer high unemployment surge, increasing social costs and having a significant impact on people's and businesses' savings and financial standing, with 82% of the private sector only having savings sufficient to last for two months. Due to this, even though the Malaysian government implemented the Movement

Control Order (MCO), the manufacturing sector continued to operate in order to meet everyday demands and to boost the country's economy.

According to an article titled The Impact of COVID-19 Pandemic on Sustainability, Employee Retention, and Innovative Performance in The Malaysian Manufacturing Industry by Ibrahim, I., Ali, K., Al-Suraihi, W. A., & Al-Suraihi, A. H. A. (2021) the Malaysian manufacturing sector contributes to the country's economy through high-value projects and fast-growing sectors like the electrical and electronic industries. The electrical and electronics (E&E) industry leads Malaysia's manufacturing sector and makes a substantial contribution to the nation's employment (32.5%), exports (48.7%), and manufacturing output (26.94%). However, the research carried out by the researchers on the respondents through a questionnaire survey found that the typical respondent believed that the covid19 Pandemic affected the manufacturing industry. However, we discovered data from the World Bank through the macrotrend website that showed the manufacturing industry was not affected by the covid19 Pandemic.

This manufacturing industry has been viewed from the shariah perspective as an al- hajiyat that is important for humans. The meaning of al-hajiyat, according to Sheikh Muhammad Tohir is what humans need to get their good and arrange all things to a better state (Sheikh Muhammad Tohir. 1998). This means that if this matter is not taken care of, it will affect the order of life. The prophets and messengers also encouraged their people to engage in the manufacturing sector like Prophet Daud in manufacturing armor for war in surah al-Anbia' verse 80:

وَعَلَّمْنَاهُ صَنْعَةَ لَبُؤْسٍ لَّكُمْ لِنُحْصِنَكُمْ مِنْ بَأْسِكُمْ فَهَلْ أَنْتُمْ شَاكِرُونَ

Meaning: And We taught Dawud how to make armor for you, to protect you in war. Are you grateful (to God)?

Not only that, Surah Hud Verse 37 describes Prophet Noah a.s in shipbuilding:

وَاصْنَعِ الْفُلَکَ بِأَعْيُنِنَا وَوَحْيِنَا وَلَا تُخَاطِبْنِي فِي الَّذِينَ ظَلَمُوا إِنَّهُمْ مُعْرِضُونَ

Meaning: And build the ship with the supervision and guidance of Our revelation, and do not talk to Me about the wrongdoers. Indeed, they will be drowned.

The work that these prophets do is to preach to their people, and it is founded on religion, syara', and high morality. It also contains teaching and learning principles that can serve as a guide for humanity, including values from a technical and economic point of view. As a result, Malaysia's manufacturing sector is not impacted by the Covid-19 outbreak and helps the country's economy grow. Taking care of human issues in terms of health, food, drink, and other essentials for everyday existence is crucial even when dealing with such a dreadful infection.

F. Service Industry

Based on the GDP data in Malaysia's services sector from 2011 to 2021 above, has shown some changes in the graph with the occurrence of increases and decreases in certain years due to several factors affecting it. The services sector studied in this study has included several services in Malaysia, such as tourism, medical, education, transportation, and food and beverage. According to the data collected from [statista.com](https://www.statista.com), the services sector is one of the industries affected when there is a significant downward trend from 2020 to 2021, which is 54.77% to 51.55%.

From this recorded decrease data, there is also a journal article written by Rasidah Hamid, Nor Hanisah Mohd Hashim, Shamsul Azren Mohd Shukur, and Najihah Hanisah Marmaya entitled "The Impact of Covid-19 on Malaysia's Tourism Industry Supply Chain" which this writer has identified that the downward trend that occurred around 2020 until 2021 is due to the impact of the Covid-19 Pandemic. This article says that the tourism and hospitality sectors are most affected directly or indirectly during the Covid-19 Pandemic, including demand for hotel, restaurant, and air travel services. Furthermore, the COVID-19 Pandemic has also resulted in the tourism economy being expected to decline sharply while domestic tourism has contributed about 75% of the total. On the other hand, the drop in demand in the tourism sector has also had a negative effect when there is a delay or cancellation of tourism services by foreign or local buyers, leading to a drop in the stock market. According to the World Tourism Organization (UNWTO), tourism is one of the most important service sectors and has contributed a lot to the percentage of GDP in developing countries such as Malaysia.

This services industry can also be seen from a shariah perspective where verses from the Qur'an encourage people to travel or explore the world in search of benefits, knowledge, preaching, and experience everywhere. The necessity of travelling has been stated through the words of Allah SWT.

هُوَ الَّذِي جَعَلَ لَكُمُ الْأَرْضَ دَلُولًا فَامْشُوا فِي مَنَاكِبِهَا وَكُلُوا مِن رِّزْقِهِ وَإِلَيْهِ النُّشُورُ

Meaning: He is Who made the earth subservient to you. So, traverse in its tracks and partake of the sustenance He has provided. To Him will you be resurrected

Through this section of the Qur'anic verse from surah Al-Mulk verse 15, it can be explained that Allah SWT has humbled the earth to be dug and explored by humans to uncover all its secrets, power, and miracles by using common sense and intelligence given by Allah SWT to do good and benevolence on this earth. However, when the country was first tested with the existence of the Covid-19 virus, all tourism activities and services were affected and had to be stopped, threatening the country's economic growth to avoid harm to

people. Likewise, with some other effects that have been obtained due to this epidemic, hospitality premises, food and beverage businesses, and aviation or transport are forced to reduce costs by throwing away workers and closing premises to increase the country's unemployment rate. Furthermore, humans are not only unable to cross national borders, but Movement Control Order (MCO) laws have also been introduced by the government due to this environmental damage. Allah SWT has said in Surah Ar-Rum verse 41

ظَهَرَ الْفَسَادُ فِي الْبَرِّ وَالْبَحْرِ بِمَا كَسَبَتْ أَيْدِي النَّاسِ لِيُذِيقَهُمْ بَعْضَ الَّذِي عَمِلُوا لَعَلَّهُمْ يَرْجِعُونَ

"Various damage and calamities have arisen on land and in the sea because of what has been done by human hands, (such occurrences) because God wants to feel part of the recompense of the bad deeds, they have done so that they return (to repent and repent)".

The damage that has been caused by the emergence of the new Covid-19 virus is caused by the loss of blessings from God. It has been sent down to this earth as a test from Allah SWT to his servant. As can be seen after the existence of this virus, activities in the economic sector have been stopped immediately, as has happened in several service sectors in Malaysia until there is a downward trend in GDP for the services industry around 2020 to 2021. Humans are also unable to do any activities such as tourism, education, and employment as encouraged by Allah SWT due to border restrictions and changes in learning and employment techniques must be followed according to the current situation.

4. CONCLUSION [font Garamond 12; 1.5 spacing; Bold]

Malaysia's GDP and other macroeconomic indicators show that COVID-19 has had a disastrous effect on the country's economy. Since fiscal stimulus only has a short-term effect on growth, we need strong and credible fiscal support along with a flexible monetary policy, not just in the short term but also in the medium term, to lessen the effects of COVID-19 and support a long-term and sustainable economic recovery. The epidemic should continue to be helped by fiscal policy until it is gone. The help from fiscal policy should be well-targeted and matched to the stage of the Pandemic. The policies should also support COVID-19 recovery efforts and the building of a stronger social protection system.

The government should use COVID-19 adaptation measures to make the economy more stable. Because there is still a lot of uncertainty about how the Pandemic is spreading and how well vaccination programmes are working around the world, a long-term economic recovery is not a given. After lockdown measures were put in place to fight the COVID-19 Pandemic, the Asian Development Bank (ADB) cut Malaysia's growth forecast for 2021 from 6% to 5.5 %.

The long-lasting COVID-19 outbreak, which has led to a high number of new cases every day, is likely to continue to cause huge problems for Malaysia's economy. To help the economy get better, the government needs to put a lot of effort into making and implementing a plan to deal with the COVID-19 pandemic cases. Aside from financial support, spending on healthcare should remain a top priority. The fastest way to get the economy back on track is to stop the Pandemic, so the timing of the vaccine is very important. Because getting vaccinated will clearly eliminate the need for mandatory closures, limited economic activities, and avoidance behaviour, the government should make sure that the vaccination programme is on track and monitored systematically. As the COVID-19 Pandemic is a global crisis, it will take a global effort and teamwork to stop it and deal with its effects on trade and macroeconomic policies and the health sector.

The government needs to take targeted fiscal and monetary actions to help families and businesses affected by the economic crisis and get the country's economy back on track. So, the Malaysian government should spend billions of Malaysian Ringgit on monetary and fiscal policies like a moratorium, Overnight Policy Rate (OPR), *PRIHATIN*, *PRIHATIN SMEs*, *PENJANA*, *KITA PRIHATIN*, *PERMAI*, *PEMERKASA*, and *PEMULIH*. Since the COVID-19 Pandemic hit the country, the government has put seven aid programmes and stimulus packages worth RM380 billion in place. The Organization for Economic Co-operation and Development (OECD) thinks that the economy will lose 2% of GDP growth every month that the MCO is in place. The July 2021 World Economic Outlook (WEO) report predicts that the global economy will shrink by -3.3% in 2020, grow by 6% in 2021, and slow down to 4.9 % in 2022. In 2020, Malaysia's real GDP fell by 5.6%, less than the 4.3% and 4.7% drops in 2019 and 2018. In 2021 and 2022, Malaysia's real GDP will likely grow because the global and local economies are expected to grow.

5. REFERENCES [font Garamond 12; 1.5 spacing; Harvard APA Style]

- Ab Rahman, A., Abidin, T. Z., & Mohamed Nor, Z. (2017). Penentuan Had Kifayah Zakat Berdasarkan Maqasid Syariah. *Jurnal Sains Insani*.
- ASHRAF, MOHAMMAD. (2019). "Pejabat Mufti Wilayah Persekutuan - BAYAN LINNAS SIRI KE-205: PERTANIAN DI DALAM ISLAM." Pejabat Mufti Wilayah Persekutuan.
- Asnidar Hanim Yusuf, I. O. O. (2022). Impact of COVID-19 on Malaysian Economy: A Study of Consumer Product Manufacturing Firms. *Journal of Hunan University Natural Sciences*, 49(1).

- Bin Miskon, M. I. F. (2017). *Kajian tentang besi dan manfaatnya bagi kehidupan manusia dalam perspektif sains dan qs. Al-Hadid/57: 25* (Doctoral dissertation, Universitas Islam Negeri Sumatera Utara).
- BERNAMA. (2020, October 4). MCO extended until April 28 - PM Muhyiddin. BERNAMA. https://www.bernama.com/en/general/news_covid-19.php?id=1830577
- Department of Statistics Malaysia Official Portal. https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=72&bul_id=M_DNYUitINmRKcENRY2FvMmR5TWdGdz09&menu_id=Z0VTZGU1UHBUT1VJMElpaXRRR0xpdz09
- Eskild Petersen, Marion Koopmans, Unyeong Go, Davidson H Hamer, Nicola, Petrosillo, Francesco Castelli, Merete Storgaard, Sulien Al Khalili, Lone Simonsen. (2020). Comparing SARS-CoV-2 with SARS-CoV and influenza pandemics.
- Federal Ministry of Agriculture, Regions and Tourism, 2020, Malaysia Minerals Production <https://www.ceicdata.com/en/indicator/malaysia/minerals-production>
- Galaś, A., Kot-Niewiadomska, A., Czerw, H., Simić, V., Tost, M., Wårell, L., & Galaś, S. (2021). Impact of Covid-19 on the mining sector and raw materials security in selected European countries. *Resources*, 10(5), 39.
- Harian Metro. (2020). <https://www.hmetro.com.my/mutakhir/2020/04/564864/kronologi-pkp-setakat-10-april>
- Hasimi, M. (2021). Ini sebab kenapa ekonomi tidak boleh ditutup ketika PKP 3.0 – Tengku Zafrul. *Astro Awani*. <https://www.astroawani.com/berita-malaysia/ini-sebab-kenapa-ekonomi-tidak-boleh-ditutup-ketika-pkp-30-tengku-zafrul-297751>
- Hashim, S. N. A., & Mazlan, M. (2019). PELANCONGAN ZUHUD: ANALISIS AYAT-AYAT AL-QURAN. *Jurnal'Ulwan*, 3(1), 89-98.
- Hashim, J. H., Adman, M. A., Hashim, Z., Mohd Radi, M. F., & Kwan, S. C. (2021). COVID-19 Epidemic in Malaysia: Epidemic Progression, Challenges, and Response. *Frontiers in public health*, 9, 560592. <https://doi.org/10.3389/fpubh.2021.560592>
- Hamid, R., Hashim, N. H. M., Shukur, S. A. M., & Marmaya, N. H. (2021). The impact of covid-19 on Malaysia tourism industry supply chain. *International Journal of Academic Research in Business and Social Sciences*, 11(16), 27-41)
- Ibrahim, I., Ali, K., Al-Suraihi, W. A., & Al-Suraihi, A. H. A. (2021). The impact of COVID-19 Pandemic on sustainability, employee retention, and innovative performance in the Malaysian manufacturing industry. *Asian Journal of Research in Business and Management*, 3(2), 132-139.

- Kristine M. Smith, Catherine C. Machabala, Richard Seifman, Yasha Feferholtz, William B. Karesh. (2019). Infectious disease and economics: The case for considering multi-sectoral impacts.
- Kamarulzaman, F. (2020). Memperkukuh sektor perlombongan dan penggalan. *Malaysiakini*.
<https://www.malaysiakini.com/news/540067>
- LIAN, J. C. K., LILY, J., IDRIS, S., & ANDI, A. T. (2022). IMPACTS AND MEASURES COVID-19 PANDEMIC AND TOURISM INDUSTRY IN SABAH. *Journal of Sustainability Science and Management*, 17(8), 1-21.
- Muhammad Faidhi Azis, (2021), Akibat Tangan Manusia, Ikram,
<https://ikram.org.my/tangan-manusia/>
- Muhammad Mushfique Bin Ahmad Ayoub @ Ayub. (2019, August 1). Irsyad al-Hadith series 400: Vying in the construction of Mosques. Pejabat Mufti Wilayah Persekutuan. Retrieved October 31, 2022, from <https://muftiwp.gov.my/en/artikel/irsyad-al-hadith/3611-irsyad-al-hadith-series-400-vying-in-the-construction-of-mosques>
- Malaysia: value of construction work 2019. Statista.
<https://www.statista.com/statistics/665028/value-of-construction-work-malaysia/>
- Malaysia: Share of economic sectors in the gross domestic product (GDP) from 2011 to 2021,
<https://www.statista.com/statistics/318732/share-of-economic-sectors-in-the-gdp-in-malaysia/>
- Mohd Nadzri Jaafar, Nurul Izzati Tarmizi, (2019). Issues and challenges of quarry management in Malaysia. Department of Real Estate, Faculty of Built Environment and Surveying Universiti Teknologi Malaysia, Skudai, Johor, Malaysia.
- Rashidi, M. N., Abdul Fatah, F., & Saili, A. R. (2021). COVID-19 and food security in Malaysia: implications on smallholding agriculture. *Food Research*, 46-55.
- Riza, Nurirdina Maisarah Muhammad, Muhammad Farhan Haqimi Abdul Latiff, and Muhammad Aiman Hamzah. "The Impact of Covid-19 Pandemic to the Construction Industry in Malaysia." *Multidisciplinary Applied Research and Innovation* 3, no. 2 (2022): 431-445.
- Statista 2022, World Bank, Malaysia Manufacturing Output, 2022,
<https://www.macrotrends.net/countries/MYS/malaysia/manufacturing-output>
- Shah, M. K. M. (2021). The Impact Of Covid-19 Pandemic On Income And Employment In The Agriculture And Food Supply Industry. *Environment*, 6(25), 171-188.
- The World Bank, Malaysia: GDP share of agriculture, 2021,
https://www.theglobaleconomy.com/Malaysia/share_of_agriculture/

Tajuden, et, all. Effect of Pandemic Covid-19 on The Malaysian Economy, Focused on Five Important Industries and Sahiah Viewpoints

Usman, A. H., Nasir, M. N., Mokhtar, A. A. T., Nor, B. M., & Shahabudin, M. F. R. (2019). Analisis Hadis Perlumbaan Membina Masjid dalam Drama “Tanah Kubur”. HADIS, 9(17), 1-11.

Will a Muslim be rewarded for spending on building? - Islam Question & Answer (October 31, 2022) Islamqa.info. <https://islamqa.info/en/answers/21658/will-a-muslim-be-rewarded-for-spending-on-building>

Xiang, S., Rasool, S., Hang, Y., Javid, K., Javed, T., & Artene, A. E. (2021). The Effect of COVID-19 Pandemic on service Sector sustainability and growth. Frontiers in psychology, 1178.

Zamani, S. H., Rahman, R. A., Fauzi, M. A., & Yusof, L. M. (2021, February). Effect of COVID-19 on building construction projects: Impact and response mechanisms. In IOP Conference Series: Earth and Environmental Science (Vol. 682, No. 1, p. 012049). IOP Publishing.