

COMPARING PRICES OF BASIC NEEDS (FOODS AND HOUSES): A CASE STUDY OF CHANGLUN, KODIANG AND JITRA

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Abstract

Recently, the price of goods and services including the basic needs (foods and houses) in Malaysia are increasing slightly. Based on random interviews, there are complaints from low level income community of Changlun claiming that the price of basic needs especially foods and houses in Changlun are more expensive than Kodiang and Jitra. The purpose of this community based study is to investigate the claim of the low level income community whom are majority in Changlun. An observational study was conducted for 6 weeks by collecting actual prices of basic needs (foods and houses) in Changlun, Kodiang and Jitra. Exploratory Data Analysis (EDA) was used to compare the prices. The findings indicated that there exist price disparity of basic needs among Changlun, Kodiang and Jitra. Based on the samples taken, Changlun has the highest prices for foods. However, the prices were still within the price range of Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK). Changlun also has the highest house price with the price disparity of RM18,000 and RM90,000 as compared to Jitra and Kodiang respectively. Further investigations needed to collect more data to generalise this issue and before actions can be taken to assist the low level income community in Changlun to cope with the price hike and survive day to day basis.

Keywords: Basic needs, prices, community

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1.0 Introduction

There are three basic needs which are foods, houses (shelter) and clothes (Maslow, 1943). Recently, the price of goods and services including the basic needs (foods and houses) in Malaysia are increasing slightly which reflected by the consumer price index (CPI) as in Fig. 1 (Department of Statistics Malaysia, 2016). The increment of CPI is beneficial for business development but burdensome to the consumer (Boskin et al., 1998; Flesher, 2012).

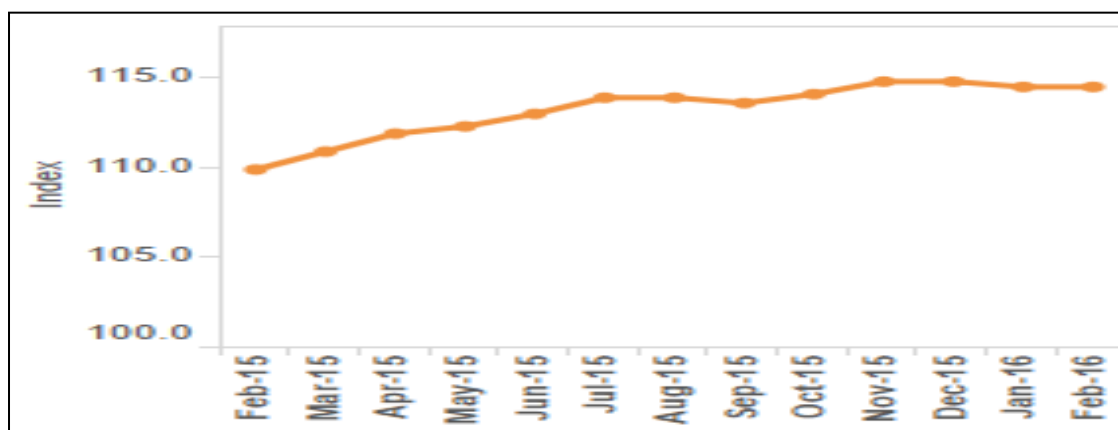


Figure 1: Consumer Price Index

A study implemented by Lee (2015) using disaggregate monthly consumer price indices obtained price convergence for two-thirds of the price groups of goods and services. However, that study was at macro level involving four regions in Peninsular Malaysia which were Northern, Central, Southern and Eastern. In this study, we focus on micro level of small community at Changlun, Jitra and Kodiang.

The motivation of this study is based on random interviews conducted on 50 consumers of Changlun whom claiming that the price of basic needs especially foods at the wet market and houses in Changlun are more expensive than Kodiang and Jitra. Thus, the purpose of this community based study is to investigate the claim of the low level income community whom are majority in Changlun.

2.0 Methodology

An observational study was conducted for 6 weeks by collecting actual prices of basic needs (foods and houses) in Changlun, Kodiang and Jitra. The types of food observed were at the wet market which involves beef, chicken, two types of fishes (“ikan kembung” and “ikan siakap”) and three types of vegetables (“kangkung”, “sawi” and carrot). We also collected price data from Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK) based on the selected types of food. As for the types of houses, we observed four types of houses based on new housing areas but only single storey terrace house available in all three locations. In ensuring the comparisons made were on the same basis, similar sizes and features (either for food or houses) were considered during the observation. Exploratory Data Analysis (EDA) was used to compare the prices by plotting the box plot.

3.0 Findings

Fig. 2 and 3 display the prices of beef and chicken based on per kilogram. Prices for beef ranges from RM31 to RM32 for Kodiang and Jitra but Changlun has only one price which was RM32 the highest prices indicated by KPDNKK. Prices for chicken were from RM6.30 to RM7.90 and Kodiang has lower price than KPDNKK. Jitra has the prices from RM6.90 to RM7.90 but Changlun has higher prices ranging from RM7.50 to RM7.90.

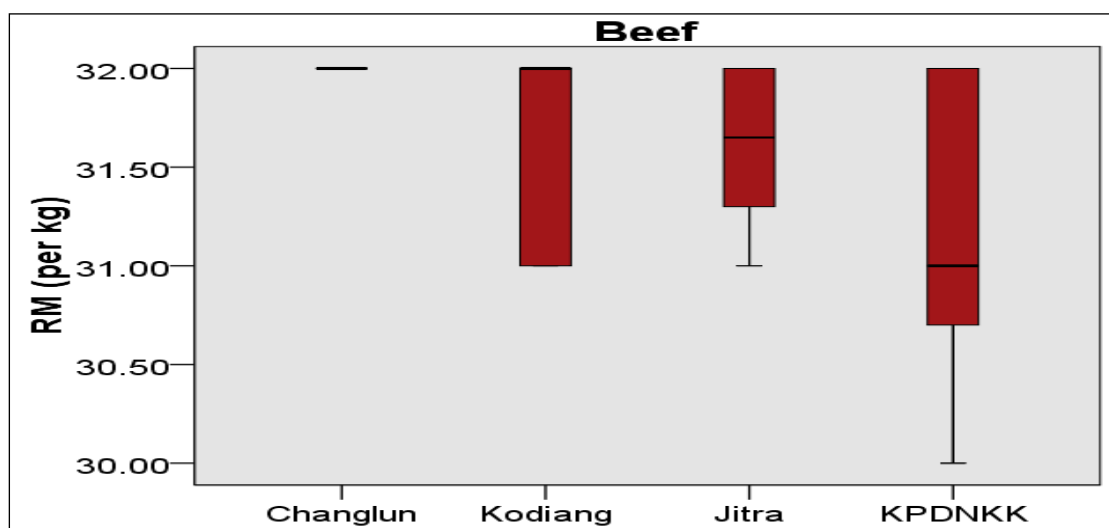


Figure 2: Beef Prices of Changlun, Kodiang, Jitra and KPDNKK

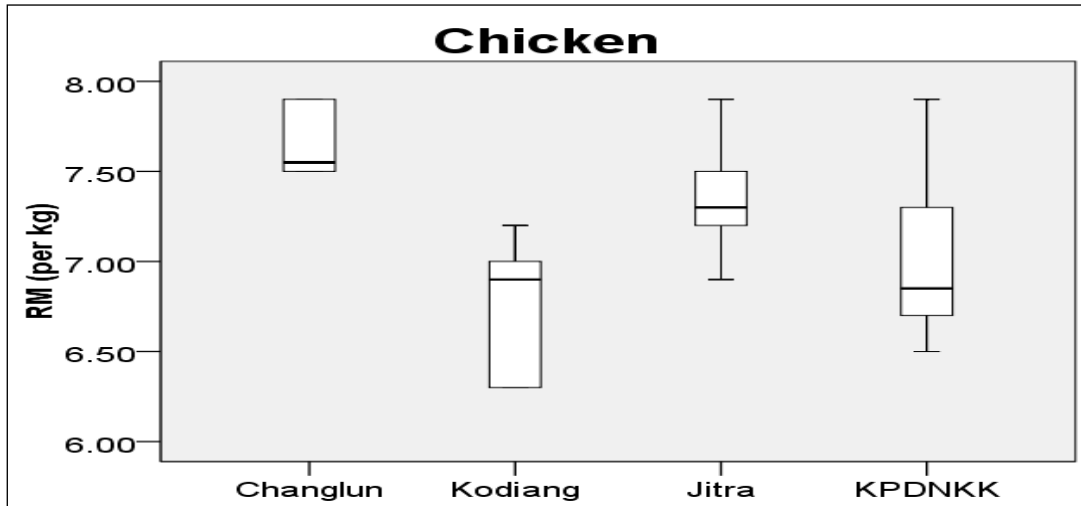


Figure 3: Chicken Prices of Changlun, Kodiang, Jitra and KPDKKK

Fig. 4 and 5 show the prices of fishes (“ikan kembung” and “ikan siakap”) per kilogram. Kodiang has lower prices for “ikan kembung” ranging from RM4.10 to RM8.70 and Jitra has the prices between RM6.30 to RM8.20 but Changlun has higher prices from RM8.80 to RM11.30. Similar findings obtained for prices of “ikan siakap”. Kodiang has the lowest ranging from RM13 to RM16.70 and Jitra has the prices between RM15.30 to RM17 but Changlun has the higher prices from RM17.50 to RM20.

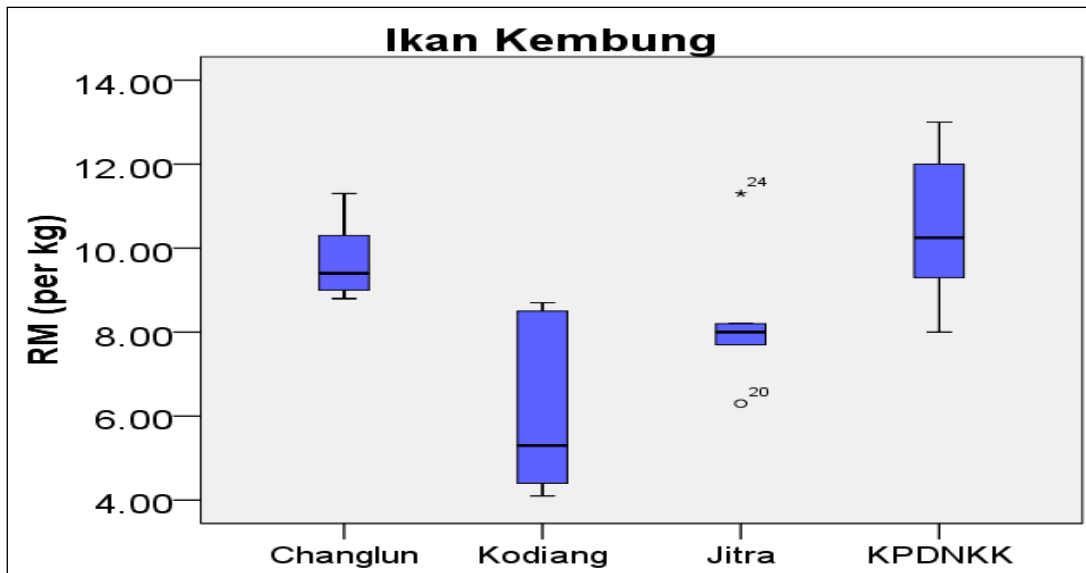


Figure 4: “Ikan Kembung” Prices of Changlun, Kodiang, Jitra and KPDKKK

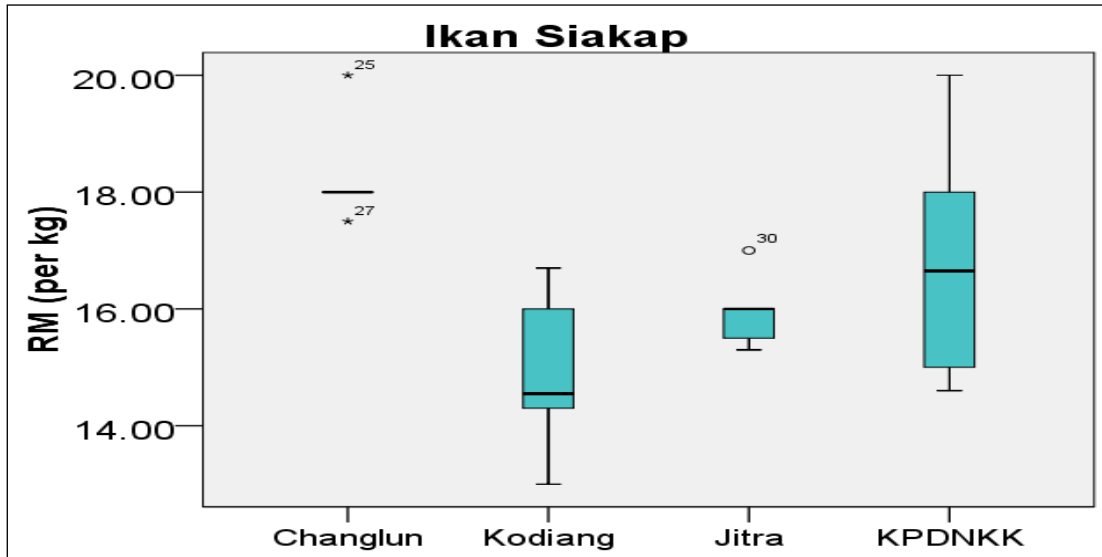


Figure 5: "Ikan Siakap" Prices of Changlun, Kodiang, Jitra and KPDNKK

Fig. 6 to 8 present the prices of three types of vegetables per kilogram. Kodiang has lower prices of "kangkung" ranging from RM3 to RM3.50 and Jitra has prices from RM4.20 to RM4.80 but Changlun has the highest RM4.50 to RM4.80. As for "sawi", Kodiang also has lower prices ranging from RM3.50 to RM4.50 and Jitra has prices from RM4.30 to RM4.80 but Changlun has a bit higher prices from RM4 to RM5. Kodiang and Jitra has similar prices for carrot ranging from RM3.90 to RM4.70 but Changlun has higher prices from RM4.50 to RM6.

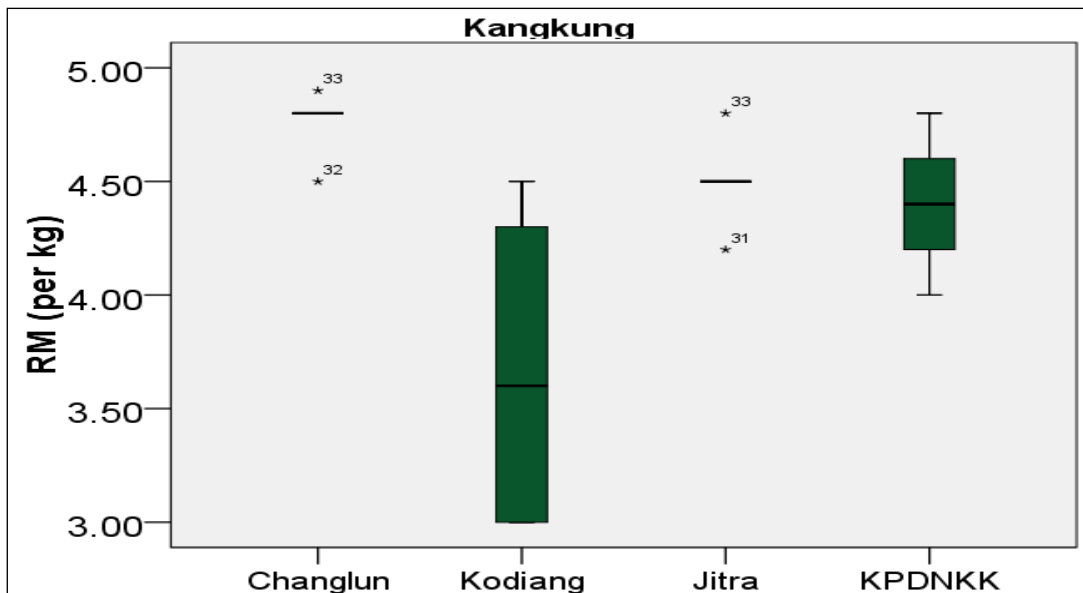


Figure 6: "Kangkung" Prices of Changlun, Kodiang, Jitra and KPDNKK

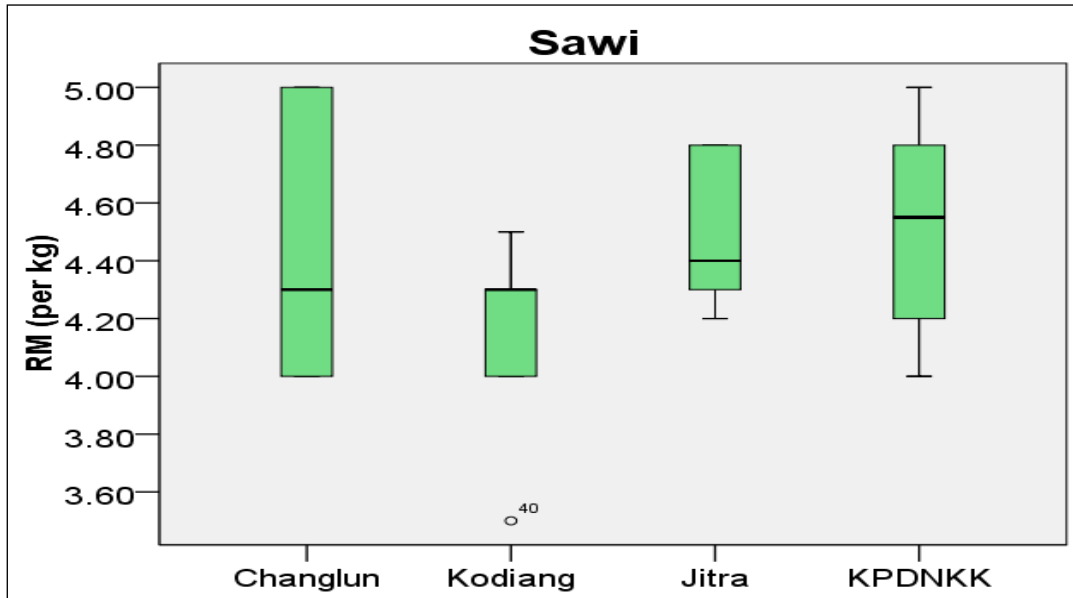


Figure 7: "Sawi" Prices of Changlun, Kodiang, Jitra and KPDNKK

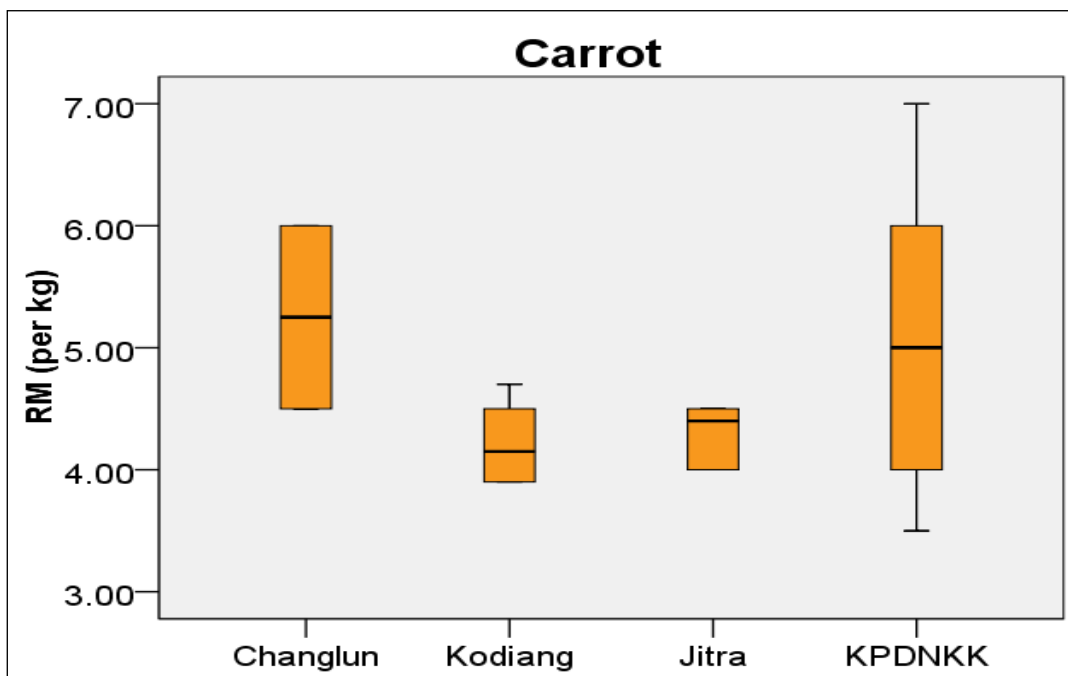


Figure 8: Carrot Prices of Changlun, Kodiang, Jitra and KPDNKK

Fig. 9 outline the house price for single storey terrace. Changlun has the highest price (RM320,000) and Kodiang has the lowest (RM230,000) and Jitra ranging from RM260,000 to RM302,000.

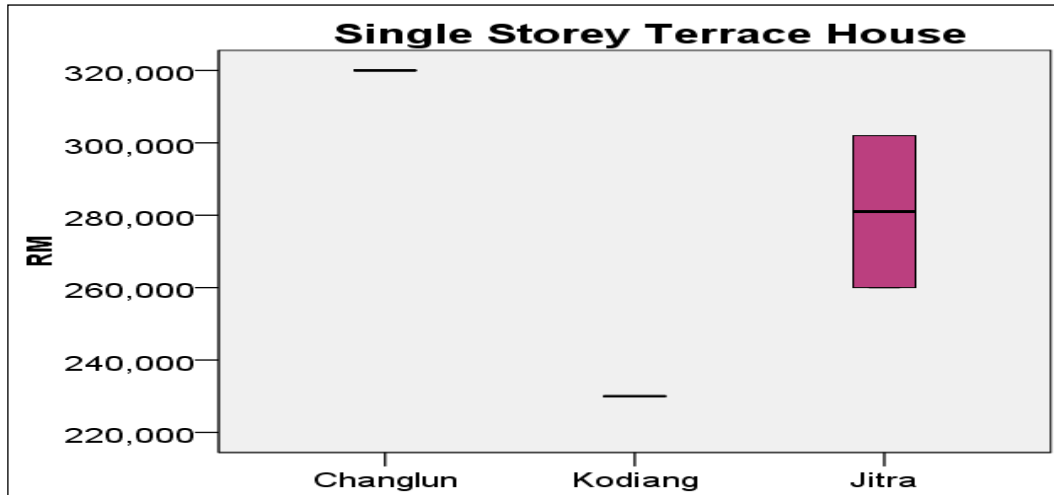


Figure 9: Single Storey Terrace House of Changlun, Kodiang and Jitra

4.0 Conclusions

The findings indicated that there exist price disparity of basic needs among Changlun, Kodiang and Jitra. Based on the samples taken, Changlun has the highest prices for selected foods. However, the prices were still within the price range of Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK). Changlun also has the highest house price with the price disparity of RM18,000 and RM90,000 as compared to Jitra and Kodiang respectively. Further investigations needed to collect more data to generalise this issue and before actions can be taken to assist the low level income community in Changlun to cope with the price hike and survive day to day basis.

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