

UNIVERSITI TEKNOLOGY MARA

**COMPETITIVENESS OF RICE
PRODUCTIONS AMONG STATES IN
MALAYSIA USING CONSTANT
MARKET SHARE ANALYSIS**

MUHAMMAD SHAHRUL AFZIE BIN RUIHA

**Report submitted in fulfilment of the requirements
for
Bachelor of Science (Hons.) Management
Mathematics
Faculty of Computer and Mathematical Sciences**

JANUARY 2021

STUDENT'S DECLARATION

I certify that this report and the research to which it refers are the product of my own work and that any ideas or quotation from the work of other people, published or otherwise are fully acknowledged in accordance with the standard referring practices of the discipline.



.....
MUHAMMAD SHAHRUL AFZIE BIN RUAIHA
2019314815

JANUARY 26, 2021

ABSTRACT

Rice is the most produced food in Malaysia as it is the staple food for Malaysian citizen. A Malaysian consumes an average of 82.3 kilograms a year, thus population growth has led to more demand. In the beginning of 2020, many countries have suspended their rice exports including Vietnam, following the spread of Covid-19. The purpose of this study is to observe the competitiveness of rice production among states in Malaysia. This research applies constant market share (CMS) analysis in identifying the competitiveness of rice production among 13 states in Malaysia. CMS analysis is commonly used in the applied studies of export development. This research also analyses the adequacy of rice supplies in Malaysia in sustaining annual consumption. The information obtained using CMS analysis is important for the Department of Agriculture and Food Industry Malaysia to identify which state produces the highest rice based on the agricultural land size. The results of the study show that Kedah has the largest production of rice and agricultural land size in the country. In term of rice production and agricultural land size competitiveness, Kedah and Kelantan rice productions are the most competitive for year 2015 until 2017 and Selangor is the least competitive in this period. For the year 2017 until 2019 Selangor changed to be the most competitive with Kedah in the second position and Sarawak happened to be the least competitive. It seems that Kedah is consistent in its competitiveness compared to Selangor, Kelantan, and Sarawak. As for Sabah it is the most competitive in agricultural land size for both periods.

TABLE OF CONTENTS

CONTENTS	PAGE
SUPERVISOR’S APPROVAL	ii
DECLARATION	iii
ACKNOWLEDGEMNET	iv
ABSTRACT	v
TABLE OF CONTENTS	vi
LIST OF FIGURES	viii
LIST OF TABLES	ix
 CHAPTER ONE: INTRODUCTION	
1.1 Background of the Study	1
1.2 Problem Statement	2
1.3 Objective of the Study	3
1.4 Scope of the Study	3
1.5 Significance of the Study	3
 CHAPTER TWO: LITERATURE REVIEW	
2.1 Competitiveness of Rice Production	4
2.2 Competitiveness Using CMS Analysis	5
 CHAPTER THREE: RESEARCH METHODOLOGY	
3.1 Method of Data Collection	9
3.2 Method of Data Analysis	9
3.3 Competitiveness Using CMS Analysis	10
3.3.1 Model Formulation	11
3.3.2 Measurement of Competitiveness	15
3.3.3 Adequacy Measurement	16

3.3.4	A Geometric Framework for CMS Analysis	17
3.3.5	The Constant Market Share Competitiveness Index	19

CHAPTER FOUR: RESULTS AND DISCUSSIONS

4.1	Rice Production among Malaysian States	22
4.1.1	Competitiveness According to Year 2015 to 2017	22
4.1.2	Competitiveness According to Year 2017 to 2019	26
4.1.3	Competitiveness According to Agricultural Land Size 2015 to 2017	30
4.1.4	Competitiveness According to Agricultural Land Size 2017 to 2019	33
4.2	Summary	37

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1	Conclusions	38
5.2	Recommendations	39

REFERENCES		40
-------------------	--	-----------