



**UNIVERSITI TEKNOLOGI MARA**

**A STUDY ON CONSUMERS' PATTERN OF SPENDING  
AFTER THE PRICE INCREASE IN CONSUMER  
PRODUCTS  
(LABUAN)**

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**NOVEMBER 2008**

## ACKNOWLEDGEMENT

Praise to **God** for the strength and patience showered to me in completing my study and this project paper. However, this project paper will not be successful without the help from several people.

I would like to take this opportunity to thank these individuals who have contributed one way or the other to the completion of this project paper.

First and foremost, I wish to express my heartfelt gratitude to Puan Hasnawati Guliling, my advisor, for her guidance, advice and valuable comments. Special thanks are also due to my former lecturers/facilitators for their guidance and for providing me with invaluable direction in the course of my undergraduate studies. To my course mates who are my colleagues - thank you for your support and assistance during the 'questionnaire survey' exercise. Without your assistance I would not have been able to complete the final part of my project paper.

Finally, I owe a special thank you to my beloved husband Ray Fung for his consistent encouragement, continued understanding and undying moral support. To my family especially my beloved father to whom I would dedicate this "achievement" - thank you for your support throughout the years of my study. To my cousin Fanny G. Kinajil, my course-partner – we made it!. I love you all.

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## 1.1 INTRODUCTION

We are all aware of the drastic increase in daily expenditure due to the increase in fuel prices and other related commodities. The price for our basic daily food for example, rice, is not spared of this spiral effect. Our daily conversation topics these days are centered on the rising costs of everything.

The increase in the prices of petrol and diesel by 78 sen and RM1 per liter respectively is an eye-opener to consumers in planning their expenditure more wisely in the wake of costlier commodities. The increase was beyond anyone's control and consumers should now strive to spend within their means. The price increase is inevitable. What is important now is that consumers should be thrifty and try to find ways to stretch their Ringgit or additional income. What consumers are concerned of is the domino effect on other consumer goods. It is normal that when the prices of fuel go up, the price of food and other consumer products will similarly increase.

As fuel is needed for transportation and manufacturing activities, any increase in its prices will definitely impact both sectors. The effect on both sectors would bear upon the prices of goods and services down the line, which ultimately will have to be borne by consumers. In whatever situation, the people's attitude; whether they are prudent or spend beyond