

KL one of world's cheapest cities

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Tokyo no longer the most expensive

KUALA LUMPUR, Wed. — Despite the flurry of price increases last year, Malaysia remains one of the cheapest places in the world to live in.

In the latest cost-of-living survey by the Economist Intelligence Unit, Kuala Lumpur was ranked 95th among 128 cities in the world, up three places from the year before.

The most expensive city in the world was Oslo in Norway, knocking Tokyo from the perch for the first time in 14 years.

In that Scandinavian city, the price of a compact disc is US\$24.07 (RM90). For that price, you can purchase two CDs in Kuala Lumpur.

Perhaps the starkest difference between living in Oslo and living in Kuala Lumpur is in the cost of owning a vehicle.

It costs a Norwegian US\$57,230 to buy a family sedan, US\$443 to register the vehicle, US\$2,619 for insurance and US\$1.98 for a litre of unleaded petrol.

In contrast, those living here have to fork out US\$41,409 to buy a 2,499cc car, pay US\$65.24 to register the vehicle, US\$585.11 for insurance and US\$0.42 for a litre of unleaded petrol.

The survey, which compares the cost of goods and services in dollar terms across 128 cities, noted that eight of the 10 most expensive cities in the survey are in Europe.

Five of the seven lowest-priced cities surveyed are in Asia, including

COMPARISON OF PRICES BETWEEN KUALA LUMPUR AND OSLO (SEPT 1, 2005)

	Kuala Lumpur Mean	Oslo Mean
General Index	100	212
• Food	100	177
• Alcohol	100	187
• Household supplies	100	389
• Personal care	100	285
• Tobacco	100	557
• Utilities	100	272
• Clothing	100	170
• Domestic help	100	508
• Recreation	100	207
• Transport	100	213
• Housing rent, international schools, health, sports and business trip costs <i>(not included in index calculations)</i>		

Manila, while the cheapest city is Teheran.

In many Asian cities, economic growth has pushed up the cost of living, the report said.

Seoul, at No 13, overtook Hong Kong (14th) as the most expensive city in the region after Tokyo and Osaka.

However, despite the appreciation of the yuan since it freed itself from a peg to the US dollar in July, Chinese cities have experienced a relative fall in the rankings as increased investment opens up pricing competition and lowers tariffs on branded goods in larger urban centres.

Shanghai, the most expensive Chinese city on the list, is still only at No 51, up five places from last year.

Closer to home, Singapore remained the most expensive city in

the region. But its overall ranking improved from 19 to 24.

Jakarta, Hanoi, Bandar Seri Begawan, Bangkok and Manila are cheaper places to live in than Kuala Lumpur.

And if last year was any indication, it is likely that the cost of living in Kuala Lumpur will continue to climb.

Last year, Malaysians were hit hard in the pocket with petrol prices going up twice. This triggered an across-the-board spike in prices of goods and services.

There is likely to be another petrol price hike soon.

Also, Malaysians can expect to pay more for electricity.

This could set off another round of price increases for everything from a glass of *teh tarik* to a bag of flour.



GROWING CITY: It is cheaper to live in Bangkok, Jakarta or Manila than in Kuala Lumpur, says the survey by the Economist Intelligence Unit. The unit, part of the Economist Group in the UK, is a research and advisory company providing country, industry and management analysis worldwide.