

ADOPTION OF ENERGY EFFICIENT HOUSEHOLD APPLIANCES: PERSPECTIVES OF THE REGULATORS AND RETAILERS

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Abstract

A study was conducted to gauge the retail market condition of major household appliances and the status of appliance energy efficiency rating labeling program. Interview surveys were conducted among 22 retailers in the Klang Valley and representatives of SIRIM and Energy Commission. The sale of STAR rating appliances in 2010 improved as compared to 2009. Price and energy efficiency are the foremost purchasing criteria among the consumers. The data indicates that there is a steady rate of diffusion of energy efficient household appliances in the Malaysian market.

Key words: Retailer, appliances, star rating, energy efficiency, consumer

Introduction

Climate change is driven by greenhouse gas emissions where two-thirds of its emissions are from energy use (Stern, 2006). Fossil fuels such as oil, coal and gas provides 82 percent of the world's energy requirement and has been identified as the largest single contributor to increased CO₂ (IPCC, 2007). The U.S.

Energy Information Administration (EIA, 2009) predicted that the world's demand for energy will increase by 44 percent from 2006 to year 2030. Nonetheless, fossil fuel will still remain to be the main source of energy for the world. Similar demand pattern is observed in Malaysia where the requirement for energy has increased in parallel to the national economic growth.

Malaysia is the 26th largest source of greenhouse gases emitter in the world, a position that places her within the ranks of industrialized nations (United Nation Statistics Division, 2007). CO₂ emission of Malaysia is relatively high compared to the world average and the other Southeast Asian countries. Studies have shown that there is a direct correlation between energy consumption and economic growth (Aqeel & Butt, 2001). The real per capita income of Malaysians have been steadily increasing in tandem with the economic growth of the nation. The recent statistic published by shows that the mean monthly income has increased from RM2472 in 1999 to RM4025 in 2009 (EPU, 2009). Higher disposable income has enabled the consumers to spend more money on products that enhance their comfort and quality of life. Some of the household appliances that were originally luxuries of

