

Spike in sugar price raises fear of increasing food cost

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PETALING JAYA: Sugar manufacturers have increased the wholesale price of refine sugar by RM600 a tonne, from RM1,900 to RM2,500, raising fears that prices of sugar-based products will go up in tandem.

According to a report in *Nanyang Siang Pau* today, the government had allowed the hike in the wholesale price of refine sugar effective this month due to the increase in world raw sugar price.

However, the retail price of refine sugar remains unchanged.

Domestic food industry players lamented that the steep price hike in sugar for commercial users is putting pressure on food manufacturers.

They said the prices of sugar-based food and beverage products will have to go up.

MSM Malaysia Holdings Bhd president-cum-group chief executive officer Mohamad Amri Sahari told the daily the government withdrew all sugar import permits in March and requested that sugar manufacturers sell the commodity to wholesalers at RM1,900 per tonne.

"But following the sharp rise in the prices of raw sugar in the world market, we appealed to the government to allow the wholesale price to be increased.

"So, with effect from Aug 1, the price has gone up from RM1,900 to RM2,500 per tonne. This is good news for us."

He said the company had also proposed the government increase the retail price of sugar, which is maintained at RM2.84 a kg currently.

SME Association of Malaysia president Michael Kang said the huge jump in wholesale price of sugar will have a significant impact on the domestic food manufacturing industry, adding that increases in prices of food products are inevitable.

He pointed out that products such as bread, biscuits, soy sauce use a lot of sugar.

The hike in the price of sugar for industrial users will hit food manufacturing the hardest, he said.

"With the increase in production cost, the prices of manufactured food products will definitely go up."