

Mar 16, 2017 | Written by Surin Murugiah | 0



KUALA LUMPUR (March 16): The DAP's Tony Pua said retail sugar price in the country should have been reduced and not increased, based on global market raw sugar prices.

In a statement today, Pua who is DAP national publicity secretary and MP for Petaling Jaya Utara, pointed out prior to 2015, Malaysia's two sole sugar manufacturers purchased raw sugar via the government's long term contracts (LTC) for imported raw sugar supply.

He said for 2009-2011, the fixed raw sugar price was US\$17.50 per 100lbs, while for 2012-2014, the price per 100lbs was US\$26.00.

Pua said the LTC raw sugar purchasing system was subsequently abolished and manufacturers purchased their raw sugar supply directly, based on global market raw sugar prices.

Pua said between January 2012 to December 2014, the manufacturer's raw sugar supply price was US\$26 per 100lbs.

"They could sell processed sugar at RM2.84/kg and had no problems making a profit.

"The question that needs to be asked is, today, the global market raw sugar price is approximately US\$18.16 per 100lbs, why is it that the BN government sees it fit to further increase the retail sugar price to RM2.95/kg?

"Even after accounting for the differences in exchange rate over the period of time, the price of sugar should have been reduced, and not increased," he said.

Pua also said compared to the raw sugar supply price in 2015, it dipped for the manufacturers immediately from US\$26 in December 2014 to US\$15.06 in January 2015, and further to a low of only US\$10.67 in August 2015.

"Why hadn't the Government reduced the price of sugar drastically in 2015, when the raw sugar supply price hit rock bottom?

"As a comparison, even when the manufacturers bought raw sugar for US\$17.50 prior between 2009 and 2011, the manufacturer's sugar price was only between RM2.05 and RM2.50.

"The data proved beyond a doubt that there is absolutely no need for Malaysians to 'thank' the Domestic Trade Minister, as demanded by Datuk Seri Hamzah Zainuddin," he said.

Pua said Malaysians should perhaps be cursing and swearing at the Minister and the BN Government

for allowing the profiteering of two Malaysian sugar manufacturers via a Government-imposed selling price, at the expense of ordinary suffering Malaysians.

“We call upon the Government to not only withdraw the recent price hike of 11 sen for the retail price of sugar, but instead further lower the ceiling price from RM2.84/kg to reflect the substantially lower global price of raw sugar over the past 2 years.

“This should be done immediately, without any compensation or subsidies paid to the manufacturers,” he said.

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