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Sugar price hike 'minimal': Rahman

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PETALING JAYA: The recent hike in sugar prices is "minimal" compared to other countries that have even imposed special sugar tax, said Barisan Nasional strategic communications team.

"The world's largest producer and exporter of sugar, Brazil, has retail prices of RM4.50 per kg for sugar. Thailand, the world's second largest exporter, has retail prices of RM3.20 per kg.

"Both (are) higher than Malaysia's current price of RM2.95 despite our country having to import almost all our sugar.

"Thailand also imposes GST on retail sugar plus a 5 baht (64 sen) per kg special sugar tax, which Malaysia does not," its director Datuk Seri Abdul Rahman Dahlan said in a statement.

He was commenting on a statement by DAP lawmaker Tony Pua who urged the Government to reduce sugar prices.

Abdul Rahman, who is also Minister in the Prime Minister's Department, said Pua's statement would likely be met with "laughter and ridicule" because it goes against worldwide trends.

He said 19 countries have implemented sugar taxes, including big sugar producer Mexico, while Britain is following suit due to public health concerns.

He said these measures were implemented due to diseases related to sugar such as obesity and diabetes.

"Malaysia is already known as Asia's fattest country.

"We are the top country in Asean for having the highest number of diabetics and sixth in the Western Pacific region.

"Too much sugar is bad for the teeth too," he added.

Abdul Rahman said Pua had also misled the public by saying sugar prices were lower before 2013.

In this regard, he said, Pua had failed to state that prices then were heavily subsidised by the Government.

"In 2013, the Government removed sugar subsidies partly due to health concerns and to heed the calls of the consumer associations.

"Last year, the Consumer Association of Penang called for a sugar tax to be implemented, saying that Malaysians need to cut down on sugar intake by 80pc to meet World Health Organisation (WHO) recommendations," he added.

Pua also reportedly said that the Government allowed Malaysia's sugar duopoly to make "super profits" over the past two years.

However, Abdul Rahman said it is hardly a case of making super profits as the accounts of the country's largest sugar company, Felda-controlled MSM Malaysia Holdings Bhd, showed that it made net profits of RM275 million on revenues of RM2.3 billion in 2015 and a net profit of RM118 million on revenues of RM2.65bil in 2016, or net margins of just 12pc and 4.4pc respectively.

"As a comparison, the Penang state monopoly water company PBA Holdings Bhd (PBA) had reported that it earned RM62 million in net profit out of a revenue of RM327 million - a net margin of 19pc.

"In fact, both the gross and net profit margins of PBA far outpace MSM's," he said.