

Putrajaya ready to break sugar monopoly

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Allowing more import licences could reduce the retail price of sugar, says deputy domestic trade minister Chong Chieng Jen.

DEWAN RAKYAT



Sugar prices in Malaysia are among the lowest in the Asean region. (Bernama pic)

KUALA LUMPUR: The government is considering a proposal to license more sugar importers in a move to break the monopoly on the trade and reduce retail price of sugar.

Deputy Domestic Trade and Consumer Affairs Minister Chong Chieng Jen told Dewan Rakyat today that the review of sugar import licences, or approved permits (AP), had dragged on for decades, but would now be taken seriously.

"The price of sugar depends on the world raw sugar price and takes into account the administrative cost, refinery operations, logistics and manufacturer, wholesaler and retailer margins.

"After taking into account these costs, the government feels it is impossible to reduce the retail price of sugar to RM1.50 per kg."

The retail price in Malaysia now is RM2.95 per kg for white coarse sugar, and RM3.05 for white granulated sugar.

Chong said the prices were the lowest among in the Asean region. He said it cost RM3.58 per kg in Indonesia, RM4.41 per kg in Vietnam and RM4.65 per kg in Singapore.

He was replying to a question from Pang Hok Liong (PH-Labis) who wanted to know whether the ministry would issue more APs to sugar importers to bring down the price of sugar to RM1.50 per kg or lower.

Chong said the government had to consider other factors as well, such as the impact on the manufacturing industry and the quality of refined sugar before adjusting the price of sugar.

The leading manufacturers in Malaysia are Malayan Sugar Manufacturing (MSM) in Prai, Penang; Central Sugars Refinery (CSR) in Shah Alam, Selangor; Gula Padang Terap (GPT) in Padang Terap, Kedah; and Kilang Gula Felde Perlis (KGFP) in Chuping, Perlis.

Meanwhile, Chong questioned a BN MP for raising the issue of halal certification for sugar refineries, saying it was not an issue under the previous administration.

Noraini Ahmad (BN-Parit Sulong) had asked how the ministry could ensure the quality and cleanliness of raw sugar when the importing companies were not required to have the halal certificate.

"During the BN administration, the halal question never came up. Now, after the new government has taken over, it is being raised," he said.

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