

Sugar price: DAP says facts show enormous profits for suppliers

FMT Reporters | March 16, 2017

Tony Pua claims data show how sugar price should be lower following massive drop in world raw sugar price since early 2015.



PETALING JAYA: Tony Pua says the two companies given the rights to be the sole supplier of sugar in the country have made enormous profits in the past two years since the government allowed them to buy raw sugar from the world market directly.

The DAP national publicity secretary said this in response to Domestic Trade Minister Hamzah Zainuddin, who on Tuesday had claimed credit for the recent increase in the price of a kilogramme of sugar being limited to "only 11 sen".

"The millers had been asking us to increase the price to RM3.20, which is a jump of 40 sen. But we took the average and set it at the minimum of 11 sen," Hamzah told reporters at the Dewan Rakyat in response to his ministry's announcement that the new price of coarse granulated white sugar from March 1 was RM2.95 per kg, up from the previous RM2.84.

Pua said the facts prove otherwise.

"I dug up the historical prices of global raw sugar prices, Malaysia government's 'Long-Term Contracts' (LTC) for raw sugar supply, our historical subsidies for processed white sugar and the manufacturer's white sugar price (before subsidy).

"The facts prove that the Barisan Nasional government has allowed Malaysia's sugar duopoly to make super-profits over the past two years," Pua said.

Kampung ... Manor Beach Resort from MYR212 Book now	Cherang R... Tok Aman Bali Beach Resort from MYR237.99 Book now	Kuala Besut The Barat Perhentian from MYR160 Book now
---	---	---

According to Pua, prior to 2015, Malaysia's two sole sugar manufacturers purchased raw sugar via Malaysia government's LTC for imported raw sugar supply.

"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.

"The LTC raw sugar purchasing system was subsequently abolished in 2015 and manufacturers purchased their raw sugar supply directly based on global market raw sugar prices," Pua said, suggesting that the new arrangement also coincided with a major

drop in the world raw sugar price.

The Petaling Jaya Utara MP questioned the government for not reducing the price of sugar when the world raw sugar price dropped.

"The world raw sugar supply price hit rock bottom to below US\$15 per 100lbs, so why didn't the government reduce the price for consumers then.

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

Detailing his calculations in two separate diagrams, tracking the price of world raw sugar and the retail price, Pua believes it can be easily shown that the price of sugar now should be lower.

"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.

"The data proved beyond doubt that there is absolutely no need for Malaysians to 'thank' the minister. Malaysians should perhaps be cursing the government for allowing two Malaysian sugar manufacturers for profiteering via a government-imposed selling price at the expense of ordinary suffering Malaysians."



You May Like



2017 - The Hearing A here

Hear.com



12 Reasons To Ditch Rentals

HomeAway



H. Moser & Cie's Swiss cheesy affair

Robb Report Malaysia



Rayban Aviator Rb3 Lens

RM 179 - 11street.my



13 Bars You Can Bo Party

HungryGoWhere M'sia



Best Flashlight Ever

Lumify Flashlight X800