

02/12/1997

A sheer case of greed

IT is indeed high time that someone skewered this notion about the professed inevitable necessity of raising palm oil-based cooking oil. According to the edible oil manufacturers, the tagging of the local palm oil-based cooking oil prices to international palm oil prices, which are in quoted US dollar, warrants the increase in the price of the cooking oil.

But such an argument is hardly persuasive. It would appear that the depreciation of the ringgit is being mercilessly used as a convenient excuse to raise prices arbitrarily. Perhaps the crude palm oil producers' greed may have obscured the possibility of selling the palm oil to the local manufacturers at a lower price than the current world price. Such a move would not hurt them since the depreciation of the ringgit has increased their profits by 30 per cent and more. This would also pave the way for manufacturers to absorb the minimal rise in costs. As pointed out by many, any increase in the production costs of palm oil-based edible oil - if at all, there is any - is minimal and certainly does not merit a rise of one ringgit per 5kg.

Yet the voracious clamouring by the manufacturers to raise prices gives rise to the false impression that their businesses would be crippled without a price rise. The irony of their pathetic whining is that Malaysia is the biggest palm oil producer in the world. It would be ridiculous to deny the citizenry of the benefits of a home-grown product. The consumers should not be burdened as the domestic market only consumes five per cent of the total palm oil produced.

There is no shred of foreign content for the manufacturers to argue that a price rise is necessary. The only foreign element in the entire spectrum of palm oil industry is that palm oil, as a commodity, is traded in US dollars in the international market. The basis for a price rise by as much as 30 per cent is nil and the only possible explanation for such an unreasonable request is the profiteering mentality of the manufacturers, who are salivating at the prospect of a higher profit margin.

As pointed out by Prime Minister Datuk Seri Dr Mahathir Mohamad, millers of palm oil-based cooking oil "only see profits for themselves because while their costs in the country remain the same, they make windfall profits from the export market because they sell their products in US dollars".

That the manufacturers have raised the price of cooking oil illegally over the past one month shows that they don't care about the Government's efforts to defend the country against imported inflation. Such an irresponsible and profiteering mentality has, justifiably so, rendered them vulnerable to criticisms from everyone, including the Prime Minister, that they are unpatriotic and saboteurs of the national economy.

Will a modicum of patriotism stir among these manufacturers now? It seems unlikely. That they have illegally increased the price indicates their bull-headedness. The effective way to address the issue is for the Government to make palm oil-based cooking oil a price-controlled item. That may jolt some sense into them.

Similarly, the price rise of staples suggest that wholesalers and retailers are exploiting the economic situation. Moral exhortation alone is not enough to cure them of their greed. Punitive action is a likely solution. Therefore, the government should not hesitate to find new ways

to deal with profiteers.

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