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Cabinet has not endorsed cooking oil price increase

LANGKAWI, Wed. - Prime Minister Datuk Seri Dr Mahathir Mohamad said the Cabinet, which met here today, did not agree with the proposed increase in the price of cooking oil.

"We have asked them (the manufacturers) not to increase the price, but they will have to work out the (new) mechanism for it," he said after making a fleet review of vessels participating at the maritime division of the Langkawi International Maritime and Aerospace exhibition.

Dr Mahathir was taken on board the vessel, A Khaliq, owned by Tan Sri Kadir Shamsuddin of Sapura for the review.

He was asked on the ceiling price proposed for cooking oil by the Primary Industries Ministry.

The ministry has proposed a ceiling of RM3.15 for the retail price of a kilogramme of pure palm olein cooking oil and RM3.65 for a kg of blended cooking oil beginning Jan 1.

Asked whether the Cabinet had endorsed the proposal, he said it had not done so as "we want to look into the internal mechanism in determining the price".

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.

As pointed out by Dr Mahathir earlier, 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 goods in US dollars".

On whether the Cabinet had discussed the composition of the proposed National Economic Action Council, he said it did not have time to discuss it.

Meanwhile, the Perak Consumers' Association feels there should be no increase in the price of cooking oil because it is a locally-produced product.

PCA president Abdul Rahman Said Ali said the association felt the people should not be penalised as a result of the depreciation of the ringgit.

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