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Prices of cooking oil continue to rise

Esther Tan; Sumitha Martin

KUALA LUMPUR, Mon. - Prices of palm oil-based cooking oil continue to increase despite the Government's announcement last week that prices will not be raised.

A random survey by the New Straits Times at various supermarkets in the Klang Valley today showed that the prices of palm oil-based cooking oil are higher than the Government-approved maximum retail prices.

The maximum Government-approved retail price for a 5kg bottle of pure palm olein - for brands such as Labour, Seri Murni and Angsa Emas - is RM12.80, while the retail price for a 5kg bottle of blended cooking oil (such as Knife and Red Eagle) is RM14.10.

When checked today, the price of a 5kg bottle of Labour cooking oil in three supermarkets - Giant, Wellsave and Thrifty - was found to be priced between RM13.99 and RM14.40.

In October, the price of the same brand in one supermarket was RM12.50 but was raised to RM13.50 a month later.

Seri Murni cooking oil is currently being sold for RM13.99 at two of the supermarkets surveyed and RM14.40 at another.

Knife cooking oil is sold at RM14.69, RM14.80 and RM14.90 and Red Eagle cooking oil at RM14.50 and RM14.90.

Last Wednesday, Domestic Trade and Consumer Affairs Minister Datuk Seri Megat Junid Megat Ayub had said that his Ministry would not allow any increase in the price of palm oil-based cooking oil and instead had asked producers to absorb any additional costs resulting from the ringgit's depreciation.

The Minister said this following a directive from Deputy Prime Minister Datuk Seri Anwar Ibrahim asking the Ministry to ensure that manufacturers did not pass on additional costs to consumers.

Meanwhile, the Federation of Malaysian Consumers' Association said palm oil producers and manufacturers of edible oil should absorb the higher cost.

Fomca president Prof Hamdan Adnan said producers and manufacturers should not pass on the burden to consumers.

"They have been making lots of profits, now they must do something in return. If they refuse, the Government should impose a tax on them," he said.

Hamdan was commenting on Prime Minister Datuk Seri Dr Mahathir Mohamad's reaction when manufacturers and millers of palm oil-based cooking oil had raised the prices of their products in the wake of the speculative attacks on the ringgit.

Dr Mahathir had rebuked manufacturers and described millers of cooking oil as "unpatriotic and saboteurs of the national economy."

Hamdan said random checks by Fomca revealed that traders in some areas had increased the prices of palm oil-based cooking oil.

He said the increase was as much as 30 sen for every 500g of oil and RM1 for every kilogram.

"How can the price of such a basic product increase so much?" he asked.

The Malaysian Edible Oil Manufacturers Association had recently proposed to raise the prices of palm oil-based cooking oil by 30 per cent.

Primary Industries Minister Datuk Seri Dr Lim Keng Yaik had said that local refineries found it very expensive to buy crude palm oil because of the drop in the value of the ringgit.

Before July the price of CPO was RM1,250 per tonne but it had increased after the drop in the value of ringgit to RM1,650.  
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