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Profiteering palm oil producers warned of stern action

THE Prime Minister yesterday rebuked local palm oil producers for profiteering and ordered traders who had increased prices of cooking oil to bring them down to the previous level.

The Government, Datuk Seri Dr Mahathir Mohamad said, will "come down hard" on the profiteers. The Cabinet will discuss the issue on Wednesday and "we may take stern action against them because they are the same as those people who sabotage the country's economy".

The main target of his tough rebuke are the local palm oil producers who have been making huge profits from selling the commodity in US dollars but are at the same time selling to the domestic market at higher prices.

Despite the public uproar, prices of cooking oil, including palm oil-based cooking oil, have gone up. The Government did not give the approval for the increase.

"We are very sad as to why the price of cooking oil should increase especially when it is made from palm oil," he told reporters at the Prime Minister Department's family day celebrations in Kuala Lumpur.

The Prime Minister said with the huge profits they are making out of selling palm oil abroad, the local producers should at least supply crude palm oil locally at the old price.

"But it seems that they only want profits. They do not care about the problems faced by the country. They do not want to make even a small sacrifice."

He said there is no spirit of patriotism at all among these producers and of wanting to help the country overcome its present problems. "They only see opportunities for big profits for themselves."

The cost to produce crude palm oil has not changed very much but the price of the commodity has gone up sharply in the last few months. Yet, the producers are selling the commodity to domestic palm oil refiners at higher prices.

These producers are said also to be more keen to sell the commodity to overseas buyers.

To claims that they have to buy the palm oil in US dollars, he replied: "Why do they need to do that in domestic transactions? Don't they recognise the country's currency?"

"Don't they trust our ringgit? Previously what currency were they selling in? This is profiteering."

Dr Mahathir said when the price of one essential item increases, that of other goods would follow suit.

"That is why we do not allow the price of an item like cooking oil from increasing. We will investigate.

"If we find that there are elements of profiteering, we will have a law to impose actions against those who seek extremely high profits by exploiting the problems faced by the country or the problems faced by the rakyat," he added.

Dr Mahathir said the Government has yet to make a decision on any increase in cooking oil prices.

"In fact, we are of the opinion that there is no reason why it should increase. This is a product from within the country. It is not an imported item."

When told that some producers are even selling their old stocks at high prices, Dr Mahathir said this is one of the reasons why in the end,

Malaysia may just have to bow to others: "Because there are selfish people who only seek huge profits for themselves".

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