

31/01/1998

Recommended prices for non-controlled items

K.Kabilan

KUALA LUMPUR, Fri. - The Domestic Trade and Consumer Affairs Ministry will introduce a recommended retail price for non-controlled items soon.

Its Minister, Datuk Seri Megat Junid Megat Ayub, said the recommended retail prices would let consumers know the true cost of these items.

"This will put the brakes on the escalating prices and stop retailers from profiteering," he said at his Hari Raya open house today.

He said his ministry had resorted to such a move as it was becoming increasingly difficult to regulate the prices of non-controlled items.

Presently, sugar, milk and milk products, salt, cement, flour, cooking oil, bread, spirit and gasoline, formic acid and fuel oil, liquefied petroleum gas, insecticide and fertiliser are among the 20 controlled items.

Megat Junid said the recommended retail prices will be targeted at packed goods, such as bottled drinks and tinned food.

However, the retail prices would only be introduced once he had met with the manufacturers of these items.

He said consumers were presently paying through their noses for items that cost little to produce.

"For example, the cost of producing a 1.5 litre bottled drink is only RM1.10 and this includes the bottle price but at some places, especially in hotels, they are sold between RM10 and RM15 per bottle," he said.

He said by meeting with the manufacturers he hoped to learn the true cost of these items as well as the commission given to wholesalers and retailers.

"If we fix the recommended retail price for an item at RM2, then the item must be sold at that price or lower."

He said the recommended retail price would only be for items sold in the country.

Asked when the recommended retail pricing would be introduced, Megat Junid said his ministry would be doing so in stages, item by item.

"The important thing is the manufacturers must agree to this. We must also see to it that wholesalers and the retailers get their profits too.

He said his officials were preparing the list of items that would be included in the index, adding that his ministry would get down to work after the festive season.

Megat Junid said the list would be submitted to the National Economic Action Council chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad.

"It is a tedious task as there are many items with different brands. For example, there are about 26 bottled drink manufacturers and each has about seven brands."

On the claims of sugar shortages, Megat Junid said sugar manufacturers were producing enough of it but retailers and even consumers themselves were ultimately to be blamed for its scarcity.

"But the problem will go away tomorrow. Those hoarding sugar will eventually have to bring it out," he said, referring to the price increase in sugar which takes effect tomorrow.

(END)