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Price hikes unfair

IT happens every time. A price increase of an essential consumer item invariably triggers a wave of added charges for other goods and services. Like condensed milk, flour and sugar. Each time an upward revision is sanctioned for any or all these items, the price of related food and drinks is jacked up. Often the price increase is unjust and unfair.

Five sen added to the price of a kilogramme of sugar in the past was enough justification for coffee-shops and stalls to increase the price of drinks by five or even 10 sen for each glass or cup. A 10 sen uncrease in flour price produces a knee-jerk reaction from bakers and roti canai vendors. They raise the price of the bread, both the baked and the fried, by 10 sen. The basic argument of the number of glasses or cups of beverages that would consume a kilogramme of sugar was often glossed over. So also the kilogrammes of baked bread and pieces of roti canai that one kilogramme of flour produces. Rather, the occasion is used to cite increases in all related and non-related costs like labour, rental, electricity, machinery and utensils. The rationale, however spurious and silly, prevailed in the past. Coffee-shop owners and stall-holders have laughed all the way to banks each time the price of condensed milk, flour and sugar was revised. Patrons, who neither had the time nor wherewithal to prepare their own breakfasts and drinks had to suffer in silence and fork out the enhanced bills.

In the past we have had to endure such price ripples. Enough is enough. We should learn from experience as another chain effect in price increase looms large. Price of crude petroleum has been nudging upwards. It is inevitable that the pump-price of fuel would be revised from the current RM1.10 per litre for the premium grade. Though the Government has not decided on the quantum, everyone is braced for an increase. All are cognizant that fuel subsidies, which total more than RM1 billion, cannot be maintained. Petrol and diesel in the peninsula are far, far cheaper than across the borders, north and south. Motorists realise this fact and would accept an increase in the price of fuel.

But that is not the concern of all. The worry of the Government is a probable chain-effect. Prime Minister Datuk Seri Dr Mahathir Mohamad realises the consequences of an inevitable rise in petrol prices. On Thursday, he issued a warning to traders and service providers not to raise prices citing the excuse of an increase in fuel costs. Fuel accounts for only five per cent of the total operational costs of enterprises where petrol or diesel is a factor. So even a 10 per cent price increase does not warrant an additional 10 per cent in the final price tag of the produce or product. A half per cent increase, at worst, is justified. The amount is nominal and, at best, should be absorbed by the business.

We acknowledge that a few service providers cannot soak up the increase in fuel price. For the transport operators, fuel is a huge factor. They would demand a hike in fares and fees. We hope that various licensing and enforcement agencies would work out the numbers to ensure dearer fuel costs do not tax commuters. The Government, as Dr Mahathir said, devotes much thought and time to any petrol price revision. For its overriding concern is the welfare of the people. We would like the agencies that monitor the transport service to display the same thought and care.

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