

23/09/2000

Price watch begins (HL)

M.K. Megan

KUALA LUMPUR, Fri. - Four non-governmental organisations began monitoring prices of goods today to detect possible increases by traders exploiting the proposed increase in the price of petroleum products.

Malaysian Trades Union Congress, the Federation of Malaysian Consumers Associations, Cuepacs and the Malaysian Youth Council members are keeping track of prices at retail outlets and supermarkets.

MTUC president Senator Zainal Rampak said anyone could report increases in prices to the organisation.

"We will report the culprits to the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs which will take action."

Zainal said he was worried about the lower income group who would be greatly affected should prices of goods go up due to an increase in the petrol price.

Datuk Seri Dr Mahathir Mohamad reminded traders yesterday not to raise prices of goods and services when the oil price is increased.

The Prime Minister had said that even if there was a 10 per cent increase in oil prices, it would only involve a 0.5 per cent increase in production costs as oil price constituted only about five per cent of the overall production costs.

Meanwhile, National Petroleum Dealers Association committee member Mej (rtd) Mohd Wahid Bidin said members would be directly affected by the increase in petrol price.

"Even if the price goes up by 10 sen, each dealer has to fork out between RM40,000 and RM70,000 per month, depending on the volume, to top up their working capital.

"Furthermore, with petrol being more expensive, the number of customers using credit cards to pay are expected to increase from the current 50 per cent to 90 per cent," said Mohd Wahid, who is also the Shell Petroleum Dealers Association president.

"It is going to be difficult on many members. We will be meeting soon to find a solution to ease the burden on the members after the price increase," he said.

Pan Malaysian Lorry Owners Association president Er Sui See said they would request the Government to consider some form of subsidy if the price of petrol went up.

"We have not had a price increase for lorry transportation services since the Government fixed it at 25 sen per tonne per mile in 1958.

"But we are still charging 16 sen," Er said.

"We cannot increase the price because of the stiff competition in the industry.

"We hope the Government can help us in other ways such as waiving duty on spare parts and reduce road taxes for lorries," he said.

Subang and Shah Alam Consumer Association president Jacob George said there was fear and anxiety among consumers following the announcement on oil prices.

"Although the assurance was given that the price increase will be nominal, and it should not affect the price of other goods and services, from previous experience we know that will not be the case," he said.

"Petrol has a direct effect on the transportation industry which is directly related to goods and services."

George said that all the ministries involved in monitoring and

controlling price increases of products should co-operate and work together to help keep the situation under control.

In Malacca, the Federation of Malaysian Schoolbus Association welcomed the move to raise petrol prices.

It, however, hoped the Government could monitor the "chain reaction" that could be triggered off in terms of prices of goods and services.

"If the rise in fuel price leads to indiscriminate increases in the prices of spare parts and maintenance of vehicles, we will definitely be left with no choice but to hike school bus fares," its president Chee Ah Tey said.

Chee said that the federation had decided however that there would be no increase in schoolbus fares this year even if the Government proceeded with its plan to raise petrol prices.

The federation had proposed an increase in fares of between 15 and 25 per cent next year.

(END)