

DAP: Minister 'fooling public' on sugar subsidies

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DAP has slammed the government for trying to fool the public in increasing the sugar subsidies in the face of claimed sugar price increases when global prices had decreased in the past six months.

"Therefore by maintaining sugar prices at RM2.30, the government should in actual fact have to subsidise less, and not more, as proudly boasted by Domestic Trade, Cooperatives and Consumerism Minister Ismail Sabri Yaakob.

NONE"Is Ismail Sabri trying to pull a fast one by claiming Malaysia has increased its sugar subsidy because global prices have increased despite the opposite being true?" said DAP national publicity secretary Tony Pua (left) in a statement.

He was referring to the minister's claim on Friday that the government has increased subsidies from 20 sen to 54 sen per kilogramme of sugar in order to maintain the price of sugar at RM2.30.

In a report in The Star on Friday, Ismail Sabri credited the government for keeping the cost of sugar down despite the fact that the "global price of sugar is skyrocketing".

Pua rebutted the claim, saying: "What is extremely intriguing, however, was that global sugar prices over the past six months since the last price hike in May 2011 had in fact declined significantly, and not the purported 'skyrocket'."

Subsidies for whom?

He said world sugar price hit a peak in July 2011 at USD0.2947 per pound and "has fallen consistently every month" since then, ending at USD0.2342 last December.

Factoring in the depreciation of the ringgit against the US dollar at 7 percent, he said, the net price decrease was still 13.5 percent in ringgit terms.

Pua, who is also PJ Utara MP, questioned who the real beneficiary of the subsidy boost was, noting that only two companies monopolised local sugar distribution: Malayan Sugar Manufacturing Holdings (MSM Holdings) and Tradewinds Corporation Bhd.

NONEMSM, he said, is a 71 percent subsidiary of Felda-related entities while Tradewinds is 43 percent controlled by Syed Mokhtar Al-Bukhary (right) with another 20 percent owned by Felda Global Ventures Holdings Bhd.

Noting that it was perplexing that subsidies "had to increase by 170 percent to cope with the non-existent skyrocketing global price of sugar", Pua demanded an explanation from the minister.

"The minister must hence clarify why there was a need to increase subsidies when the global sugar price is falling while at the same time explain who are the real beneficiaries from the extra RM198 million of supposed 'subsidy'," he said.

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