

## **PAS: Khairy's wrong that inflation merely seasonal**

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PAS central committee member Dr Dzulkefly Ahmad today lashed out at Umno Youth chief Khairy Jamaluddin Abu Bakar for saying the price rise in greens is only temporary because of bad weather, and not due to the simultaneous withdrawal of subsidies and other costs going up.

Dzulkefly (left) said the youth and sports minister's stance, showed that he is only "apple polishing" his boss, Prime Minister Najib Abdul Razak.

The former Kuala Selangor MP said what the country is facing is 'sustained inflationary pressure' which will remain until the factors causing it are resolved.

He said even Rating Agency Malaysia chief economist Yeah Kim Leng had warned Putrajaya not to pull back the subsidies all at once and that the introduction of the Goods and Services Tax in the near future would only result in worsening inflation.

The PAS central committee member said already several economic agencies have predicted inflation to be at three to 3.5 percent this year, and four percent next year when GST is implemented.

"The factors involved in sustained inflationary pressure are the simultaneous withdrawal of subsidies introducing price hikes in critical items like petrol, diesel and sugar, as raising electricity tariffs and highway tolls.

"This 'Putrajaya induced inflation' may escalate to a 'Putrajaya induced crisis' if it worsens further," he warned.

Yesterday Khairy was quoted in Bernama saying that the rise in fuel price, a result of withdrawal of subsidies, is not the main cause for increases in prices of food items.

He pointed out that it was due to shortage in supply coupled with bad weather.

Expressing regret over Khairy's statement, Dzulkefly said the Umno Youth leader should know from basic economic courses in university, that the weather can only be a cause of a temporary price rises or disruption.

"As I have stated, we are facing sustained inflationary pressure. A 'cost push inflation' is different from a 'demand pull inflation', that could be due to the bad weather.

"Inflation, this time round, is not temporary," he stressed.

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