

DAP: Where did subsidy for KR1M stores go?

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The government must explain why goods sold at Kedai Rakyat 1Malaysia (KR1M) in Sabah are still not the cheapest in the market despite spending over RM87 million in subsidies, an opposition MP said today.

Quoting a report from Sabah Daily Express, DAP MP Tony Pua said he was shocked to learn that the 57 KR1M stores in Sabah and Sarawak, set up at an estimated cost of RM1.53 million each, had failed to control its prices.

This is on top of RM275 million government budget for a "price standardisation programme" to ensure cheaper goods in East Malaysia, out of which, approximately RM100 million was for Sabah.

Despite this, Sabah Daily Express reported that a survey by Sabah Umno Youth leader Hafez Yamani Musa showed price savings for consumers had not materialised at KR1M stalls in the Borneo state.

"It is shocking that KR1M in Sabah is found to be selling goods at prices higher than other shops when they are given a subsidy of RM1.53 million to set up every store.

"Hasan Malek (below), the Minister of Domestic Trade, Cooperatives and Consumerism must immediately explain, assuming the Sabah Umno Youth team did their maths right, why are the prices of products sold in KR1M more expensive than the other non-subsidised stores?" Pua, the MP for Petaling Jaya Utara, said in a press statement.

Pua noted that while launching the KR1M a year ago, the Sabah Community Development and Consumer Affairs Minister Azizah Mohd Dun had boasted that "prices at the KR1M are at least 40 to 50 percent lower than that of regular shops so that all Malaysians can afford to shop there."

Since it was Sabah Umno themselves who has complained through the survey result, Minister Hasan cannot brush the issue aside, Pua noted.

Pua further noted that Sabah and Sarawak's KR1M stores got higher subsidies than similar stalls in Peninsula Malaysia.

He said in comparison, the government allocated only RM40 million in the 2012 budget to subsidise retailer Mydin Bhd to set up 85 KR1M stores in Peninsula Malaysia, where each store would cost RM471,000 on average.

This was a third of what a store may cost in Sabah and Sarawak, he said.

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