

**Price hike: Call a spade a spade**  
**Malaysiakini.com**  
**July 18, 2010**

The Perak Consumers Association (PCA) has criticised the government for insulting the intelligence of consumers by playing with words to mislead them on the price increase of essential goods.

NONE "We are not living in the dark ages. (It's no longer so easy) to take consumers for a ride with such coinage of words," said an angry PCA president Abdul Rahman Said Alli (left).

"Muzzling the media from reporting the truth will not prevent people from learning the facts or gaining such knowledge, as modern communications is so advanced," he said.

He was referring to media reports on the price hikes, watered down by saying Premier Najib Abdul Razak had "made a bold decision" in reducing the subsidies for fuel, gas and sugar.

The vocal consumerist argued that Najib should instead be bold to speak the truth and prepare to face possible backlash from consumers, rather than trying to pull the wool over their eyes.

"Removal of subsidies is not a policy (solution), but it is mere housekeeping," he said, implying that tightening the consumers' belts to cover the government's overspending does not solve the nation's budget woes.

He argues that any implementation of the subsidy squeeze must be accompanied by financial concessions that benefit the consumer.

For example, Rahman wants the government to reduce toll charges across the board, to lift the quota embargo on rice imports as the price of rice is much cheaper overseas, and reduce the high taxes on imported cars to encourage an competitive, open market to bring down car prices.

What austerity drive?

Rahman also demanded that the government itself embark on an austerity drive to ensure that public funds are economically spent.

This means cutting mega projects that do not benefit the public, cutting wastage in government spending and clamping down on corruption that drains the nation's coffers.

He pointed out that this included unnecessary and lavish expenditure, such as providing free meals at government meetings.

NONE He added that the continuing procurement policy of government tenders, which is closed or through negotiations rather than open, is a sore point.

Deputy Prime Minister Muhyiddin Yassin (left) had in late June told the media that the federal government has been practising fiscal austerity, and denied that it will be going on a spending spree in view of dampening economic conditions.

The DPM was commenting on a statement by Minister in the Prime Minister's Department Mohd Nazri Abdul Aziz regarding plans to relocate the Parliament complex to Putrajaya at a

cost of RM800 million.

#### Spiral effect

Rahman commented that the price hike may seem small, but even a five sen increase in essentials will have a spiralling effect, such as on transport costs and related goods and services.

He is sceptical that the government will be effective in preventing such spill-over effects on the cost of living, other than to pay lip service in meaningless warnings to perpetrators who take advantage of price increases, or make excuses such as lack of manpower to enforce rulings to keep costs down.

petrol price hike panic 010705 shell station He also took a dig at Fomca, the national consumer body, for supporting the hike.

"Historically, Fomca seems to be very happy with the price increases - are they talking on behalf of consumers or the government?" he asked.

However, Fomca is not the only one, as the Consumers Association of Penang (CAP) has also expressed support for the hikes in a press statement.

It said since sugar was unhealthy, money should be better spent elsewhere, while fuel was a depleting resource and Malaysia risked depending solely on oil imports in five years.

CAP however said the cutting of subsidies had to be implemented as part of a comprehensive plan for sustainable national financial management through eliminating waste and corruption.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.  
Source : <http://www.malaysiakini.com/news/137655>