

PM: Food stockpile priority over projects
Malaysiakini.com
May 3, 2008

Abdullah Ahmad Badawi said today that his government would delay non-essential projects and use funds to secure the country's food supply amid spiralling global food prices.
MCPX

The government announced yesterday that it would spend RM2.49 billion (US\$778 million) this year to boost food production as worldwide costs soar for staple items such as rice.

bn mp retreat 190408 abdullah pak lahThe money is part of Prime Minister Abdullah's RM4 billion pledge last week to increase food production and tackle price hikes.

"The government has... decided to create a buffer stock not only for rice but also other essential goods needed by the people regardless whether they are poor, rich, from the urban or rural areas," he was quoted as saying by Bernama.

"So we have to reallocate, and when there is reallocation there will be certain (less important) projects which may not get their allocations, probably reduced or delayed," he said.

Abdullah said the country's food supply was not at a critical stage, Bernama reported, but did say something needed to be done quickly.

Huge public outcry

"It will be difficult later. But the fact is that we have to take these measures. We cannot wait for (the food shortage) to happen first, then there will be chaos," he said.

Malaysia produces some 1.6 million tonnes of rice, which roughly meets 70 percent of domestic consumption. The balance is usually imported from neighbouring Thailand and Vietnam.

A mixture of soaring prices and controls on food items hit Malaysian consumers hard earlier this year with severe shortages of sugar, flour and cooking oil which were stripped bare from supermarket shelves as panic-buying hit, triggering a huge public outcry.

The government was forced to flood the market with thousands of tonnes of cooking oil and flour to end the crisis.

The World Bank says global food prices have nearly doubled in the last three years, sparking riots last month in Egypt and Haiti amid restrictions on food exports from Brazil, Vietnam, India and Egypt.

Rising use of biofuels, trade restrictions, increased demand from Asia to serve changing diets, poor harvests and increasing transport costs have all been blamed for the price rises.