

PM unveils measures to cut soaring rice price
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The government will cap the price of local rice and increase its stockpile of imported rice to counter the soaring cost of the country's staple diet, Prime Minister Abdullah Ahmad Badawi said yesterday.
MCPX

Abdullah said the government will cap the price of two popular local rice types - a higher quality and an average grade - from June 1.

rice paddy padi beras from thailand in malaysia 190307The price of imported Thai white rice has gone up by 164 percent from US\$371 per metric tonne in 2007 to US\$980 per metric tonne this year, he said.

"The government will spend at least RM725 million on 500,000 tonnes of imported rice as a form of subsidy to maintain the retail price of rice," Abdullah said in a statement after meeting with the recently-formed inflation committee.

By increasing the national stockpile of rice, the government will be able to meet the demand for rice and keep prices affordable, he said.

World rice prices have soared this year, a trend blamed on higher energy and fertiliser costs, greater global demand, droughts, the loss of rice farmland to biofuel plantations, and price speculation.

Last week Malaysia made an emergency purchase of 500,000 tonnes of rice from Thailand to bolster its dwindling stockpile.

Malaysia, which produces 70 percent of its rice needs and imports the rest from Thailand, heavily subsidises more than 20 daily food items, including milk and salt.

Abdullah's government is also burdened by a hefty fuel subsidy, which costs up to RM45 billion annually.