

**Scrap sugar subsidy, says CAP**  
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**By Shannon Teoh**

KUALA LUMPUR, Jan 31 — One of Malaysia's most influential consumer groups called on the government today to end sugar subsidies with more than one in seven Malaysians suffering from diabetes.

Despite the relentless rise in cost of living, the Consumers Association of Penang (CAP) urged Putrajaya not to subsidise "the very substance that is detrimental to our health when the money can be better spent elsewhere."

Different kinds of sugar available in the market. Domestic Trade, Co-operative and Consumerism Minister Datuk Seri Ismail Sabri Yaakob had said last week the government would spend RM567 million this year to maintain the price of sugar at RM2.30 per kg.

He said the increased subsidy to 54 sen per kg from 20 sen previously was because the "global price of sugar is skyrocketing."

"By selling sugar at market price, government will actually end up saving more than RM567 million because government can save millions in healthcare costs when it does not have to treat sugar-related diseases," CAP president S.M. Mohamed Idris said in a statement today.

He pointed out that Malaysians already consume an average of 26 teaspoons daily and the sweetener has been linked to over 60 ailments — from cancer, diabetes, obesity, heart problems, osteoporosis and kidney problems to asthma and allergies.

CAP also said the prevalence of diabetes in Malaysia had jumped from below 2 per cent in 1960 to 14.9 per cent in 2006, or about 4.2 million patients.

"It does not make sense for the Ministry of Domestic Trade, Co-operative and Consumerism to go all out to make the price of sugar affordable whilst the Ministry of Health carries out campaigns to reduce the intake of sugar," Mohamed Idris said.

The DAP had questioned on Sunday if the government was handing over an additional RM198 million in sugar subsidy this year to politically-connected companies after nearly tripling sugar subsidies despite global prices diving over the past five months.

Publicity chief Tony Pua said in a statement that after hitting a peak of US\$29.47 (RM89.66) per 100 pounds in July 2011, the price of sugar has fallen every month to US\$23.42 in December, a 20.5 per cent drop.

"The question then is whether the 170 per cent increase in sugar subsidy or approximately RM198 million a year payable to MSM Holdings and Tradewinds is in fact a thinly disguised attempt to fatten the profits of these two politically-connected companies," the Petaling Jaya Utara MP said.

Malayan Sugar Manufacturing Holdings is a 71 per cent subsidiary of Felda-related entities

while Tradewinds Corporation is 43 per cent controlled by logistics tycoon Tan Sri Syed Mokhtar Al-Bukhary with another 20 per cent held by Felda Global Ventures Holdings.

The government last increased the price of sugar by 20 sen in May 2011 in a series of price hikes to basic necessities it said were necessary to keep the subsidy bill from ballooning.

Since the Najib administration began cutting subsidies in January 2010, the price of sugar has increased by 58.6 per cent from RM1.45 per kg.

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