

Government must ensure fall in global price of rice benefits locals, says opposition MP
Malaysian Insider
Feb 20, 2014
OLEH the Malaysia Insider

An opposition MP wants Putrajaya to ensure rice prices in the local market are lowered in line with world market trends to ensure that the reduced prices are passed on to consumers.

Alor Setar MP Gooi Hsiao Leung said this in response to the expected plunge in world rice prices when Thailand ends its subsidy scheme at the end of this month, causing a market glut.

He said tycoon Tan Sri Syed Mohktar Al-Bhukhary will profit most with Padiberas Nasional (Bernas) making big bucks if the price of rice in Malaysia remains unchanged.

Referring to the Reuters article entitled "Thai rice to pour into global markets as subsidy ends" yesterday, he said millions of tonnes of Thai rice will be flooded into the international market.

He said Thai exporters now predict that the price of 5% broken rice will drop from US\$375 per tonne (RM1,238 per tonne) to US\$350 per tonne (RM1,155 per tonne), the lowest in seven years.

He said apart from Thailand, India and Vietnam will also see a drop in their rice prices due to high-yielding harvests.

"As a result, Malaysia as a rice importer will enjoy cheaper imported rice. Bernas will also receive huge profits as a result of low import prices.

"If the price of rice for Malaysians remains unchanged at the old level, Bernas will stand to reap huge profits, with the sole individual Syed Mokhtar standing to profit the most," said Gooi, who is also Kedah PKR vice-chairman, in a statement today.

"Putrajaya ought to ensure the price is lowered for consumers in order to help lighten the rakyat's burden caused by the rising cost of living," Gooi said.

It was reported recently that Syed Mokhtar, who is the controlling shareholder, is trying to take Bernas private using his four companies - Perspective Lane Sdn Bhd, Kelana Venture Sdn Bhd, Seaport Terminal (Johor) Sdn Bhd and Acara Kreatif Sdn Bhd - who are the joint offerors in the bid.

In November, opposition leader Datuk Seri Anwar Ibrahim said Bernas' profit will increase by 40% to RM165 million in the short term resulting from lower international prices as a result of excess supply of rice from Thailand, Vietnam, India and Pakistan.

He said "this will profit whoever owns Bernas in the future".

Under the Thai subsidy scheme introduced in October 2011, farmers were paid 15,000 baht for every tonne of rice sold to the government.

When the subsidy scheme is scraped at the end of this month, most farmers will be forced to sell their paddy in the open market at much lower prices (47% lower), at around 8,000 to 9,000 baht per tonne.

The farmers will also be forced to sell at lower prices due to the lack of available government warehouse facilities to store rice until the rice price recovers. – February 20, 2014.

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Source: <http://www.themalaysianinsider.com/malaysia/article/government-must-ensure-fall-in-global-price-of-rice-benefits-locals-says-op>