

## Reducing Food Prices – Empowering Consumers

Written by Admin 3  
Tuesday, 31 July 2018 09:35

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FOMCA fully supports the concrete actions of the Ministry of Domestic Trade and Consumer Affairs to address the pressing cost of living issues being faced by consumers, especially low and middle income consumers.

Firstly, a full market review of the food supply chain needs to be undertaken. The analysis would indicate the extent of monopolistic behaviours, either through local players in the local food supply chain or through the approved permits systems for imported foods.

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Next, the government should use the full provisions of the Competition Act, 2010, to take stern actions against traders or groups of traders in the supply chain practicing any form of monopolistic behaviour to manipulate and overcharge consumers to make excessive profits.

Similarly, all food approved permits for imported need to be eliminated to promote free trade that would ensure lower prices, higher quality and more choices for consumers. The Ministry had reported that 297 companies were holding APs for importing food items. It is time to eliminate this practice, once and for all.

Next, the Price Control and Anti-Profiteering Act, 2010, needs to be strictly enforced to ensure that all forms of price manipulation and overcharging of consumers, to make excessive profits, is eliminated. Traders certainly have the right to “normal” profits; however, making excessive profits for essential foods will result in great suffering to especially low income consumers.

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The Ministry can also further examine and strengthen the Pasar Malam/Pagi mechanism to facilitate the direct movement of food from farmer to consumer. Through eliminating the middle-men and their exploitative practices, farmers benefit from higher prices and consumers benefit through fresher goods and lower prices.

Further, Malaysia needs to take concrete steps to increase food production to be more self-sufficient. Malaysia's food import bill has been steadily increasing, from RM 26.3 billion in 2009 to RM 45.4 billion in 2015.

Previously, there has been an excessive focus on cash crops such as oil palm and rubber. Food production has often been neglected. Malaysia thus is only self-sufficient in chicken, fish, eggs and pork. Thus all the other essential foods are imported. Further, animal feed is also heavily imported affecting the price of the sold farm animals.

There thus needs to be serious attempts to ensure food availability and food affordability. The government needs to re-emphasise the production of food in Malaysia to bring down the costs of living.

The government should also focus on consumer education to empower consumers to change their attitude, skills and knowledge to be more prudent consumers. Focus should also be on

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financial education to empower consumers to better manage their consumption, savings and their credit.

Addressing the cost of living is the responsibility of both the government and the consumers. The government needs to undertake programs and policies to bring down the costs while consumers need to better manage their consumption and better manage their finances in this challenging economic environment.

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<http://www.freemalaysiatoday.com/category/opinion/2018/08/01/reduce-food-prices-and-empower-consumers-to-tackle-cost-of-living/>

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