PUTRAJAYA: Consumers will not have to worry about a sugar price increase for now as there is a sufficient supply in the country.

The assurance came from Deputy Domestic Trade and Consumer Affairs Minister Datuk S. Veerasingam yesterday.

He said although he had received several calls from consumers who had agreed with the suggestion made by Federation of Malaysian Consumers Associations (Fomca) to increase the price of sugar to ensure they could get their supply of the commodity easily, Veera- singam said there was no need for it yet. He said Fomca president N. Marimuthu's suggestion to overcome the sugar shortage in some States by increasing the price of the commodity did not have to be considered yet as there was more than enough sugar to meet the demand.

"We have not come to that stage yet. We have ways and means of juggling (the prices), as there are two tiers at the moment – the open and domestic market.

"As long as the industries are honest and those who export their products buy sugar from the open market, we will have no problem," he said after chairing a meeting with several State executive council members at his ministry to discuss the sugar issue.

Veerasingam said a long- term solution undertaken by the Government this year was the sourcing of raw sugar from Australia and Brazil at US$218 (RM796) per tonne.

He said the International Trade and Industry Ministry had a contract with the two countries to supply 599,000 tonnes of raw sugar to Malaysia each year until 2008.

This, together with the 702,000 tonnes of raw sugar that refineries buy from the open market, would be more than enough to meet the country's demand for this controlled item, he said.

"If we can manage to get the industries to buy a portion of the open market sugar, then we need not increase the price. We can always sell at the same price to the public until 2008," he added.

With current sugar prices at US$400 per tonne compared with US$280 per tonne in the domestic market, Veera- singam said some of the sugar-related industries chose to buy from the domestic market, even though most of their products were exported.

This was because they only pay RM1.30 per kg of sugar in the domestic market compared to the RM1.80 to RM1.90 in the open market.

He said this was contributing to the sugar shortage but the situation could be rectified if the industries who exported their products did not buy the sugar meant for domes-tic consumption.

He added that the current sugar shortage could be handled if certain short-term measures – such as ensuring that industries only buy their sugar from factories and suppliers accredited with the ministry – were undertaken.

This, he said, would mean that the ministry could keep track of the amount of sugar the industries were using and how much of their products were being exported.

"We can then stress to them that sugar used for exported products has to be bought from the open market," he said.

Veerasingam said these recommendations would be presented to the Cabinet on Wednesday by Domestic Trade and Consumer Affairs Minister Datuk Shafie Apdal.

He added that the ministry's enforcement officers had been deployed to the borders to curb the smuggling of sugar to Thailand where sugar was more expensive.
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Upset over Fomca's suggestion

IPOH: The Kinta Consumers Association took to task the president of the Federation of the Malaysian Consumers Associations (Fomca), N. Marimuthu, for suggesting a 30 sen increase in the price of sugar.

Association vice-president N. Prebakarran Nair said: "It is absurd for Fomca, which is supposed to protect the interests of the consumers, to make such a negative suggestion.

"Consumers already have to dig deep into their pockets with the fuel and electricity price increases and it would be unfair to raise the price of sugar as well."

He was commenting on the suggestion by Marimuthu that the price of sugar be raised by 30 sen to RM1.70 per kilo .

Sugar, a controlled item, is now sold at RM1.40 per kilo in loose form and RM1.45 in packets.