

The Star : 'Do not hike prices too much', Shafie warns bread and noodle makers

Written by Administrator

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KUALA LUMPUR: Bakeries and noodle suppliers have been warned not to hike prices of noodles, bread, cakes and biscuits unreasonably following the rise in the price of enriched wheat flour.

Domestic and Consumer Affairs Minister Datuk Shafie Apdal said he had directed the ministry's enforcement officials to check the situation in the market thoroughly.

Shafie said he had also indicated to the industry players to ensure reasonable adjustment of the enriched flour price to avoid a spillover effects on noodles, bread, cakes and biscuits.

We don't want a 100% increase in price. It should be based on a slight margin. We don't want serious effects on producers of noodles, bread and cakes, he told reporters after attending the Companies Commission of Malaysia's Hari Raya open house here yesterday.

He said he met with the millers several days ago and allowed them to make reasonable adjustments to enriched wheat flour, which was a non-controlled item.

He said the Government could not contain the price of enriched wheat flour at the present level due to the rising cost of raw material and transportation.

The price of wheat flour went up from between RM1.70 and RM1.80 per kilo to between RM2 and RM2.10 per kilo on Sept 15. On Oct 16, the price went up further to between RM2.60 and RM2.70 per kilo.

Shafie said the increase was inevitable because of the 70% wheat price increase in the global market due to rising fuel prices and drought in Australia and several other countries.

As a result, the industry had to bear losses of between 50 sen and 60 sen for each kilo.

On the Government's plan to assist flour millers in cushioning the effects of higher wheat prices, he said: We are looking at all angles to lighten their burden.

We could provide a card at petrol stations so that they can get fuel 10% to 15% cheaper. This can reduce the cost of transportation from factory to end-users.

On price checks of controlled food items during the Hari Raya season, from Sept 13 to Oct 20, he said the ministry had conducted checks on 236,771 businesses, seized RM125,015 worth of goods and issued compounds totalling RM94,550 to traders for various offences including failure to display pink price tags.

Prices will also be monitored a week before Deepavali.