

Seven-month operation to curb profiteering

BY FIAQH ROSLAN ON DECEMBER 12, 2019, THURSDAY AT 11:14 AM



Georgie (centre) inspecting goods at Harrisons Sdn Bhd in Kolombong during Ops Catut 6.0 yesterday.

KOTA KINABALU: The Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) conducted Ops Catut 6.0 to curb profiteering and price manipulation in conjunction with the impending Petrol Subsidy Programme (PSP) beginning January 2020, which is expected to impact the price of goods.

As of yesterday, 15 notices were issued to factories and wholesalers under Section 21 of the Price Control and Anti-Profitteering Act (AKHAP) 2011.

The notice was for verification of information on goods or services.

KPDNHEP Sabah director Georgie Abas said Ops Catut 6.0 would be conducted in phases, beginning with factories and wholesalers, followed by retailers.

"Ops Catut 6.0 would span seven months from December 1, 2019 to June 30, 2020, and would be conducted in phases.

"In Phase 1, from December 1 to 31, this year, inspection would be carried out to collect data on price, cost and mark-up percentage or margin.

"In Phase 2, from January 1 till May 31, 2020, business operators would be monitored to observe if there is an increase in price or not. At the same time, notices would be distributed under Section 21 of AKHAP, to businesses which raised prices of goods in Phase 1.

"In Phase 3, from June 1 to 30, 2020, focus would be on preparing reports specific to Ops Catut 6.0 enforcement," said Georgie.

However, he emphasised that although there might be some increase in price, businesses might not necessarily be found guilty of an offence.

Georgie explained that various factors could influence prices, including supply and demand, competition, weather, increased cost including price of raw materials, wages and supply from country of origin, among others.

"A few factors must be identified first. If prices increase but profit margins remain the same or are lower than before, than there's no sign of profiteering and therefore no offence committed. That is why we monitor premises throughout the five-month period and prepare reports at the end of it," he elaborated.

Georgie said Ops Catut 6.0 is conducted throughout the state, assisted by eight KPDNHEP branches in other districts conducting the same operation. Inspection, monitoring and enforcement are carried out at all levels including factory, general distribution, distributor, wholesale and retail.

The operation emphasises six main categories which are food and beverage items, home supplies, textile, furniture, shoes and electrical goods.

"Business operators are once again reminded not to take advantage by profiteering once PSP is implemented in 2020. The ministry hopes the price of goods would remain stable and the impact of PSP would be beneficial to target groups," said Georgie.

Meanwhile, KPDNHEP inspected a total of 82,506 premises as of November this year, which exceeded its target of 71,220.

It also exceeded its target of 1,010 cases with 1,414 cases opened during the same period, involving seized items worth RM4.4 million.

Furthermore, RM75,000 in fines were collected while RM384,630 in compounds were procured from 1,037 cases. Most offences fell under AKHAP for failure to display price tags, especially for controlled goods.