

CAP REPORT

Probe into cause of onion price hike

I AM surprised that the Domestic Trade and Consumer Affairs Ministry's enforcement director has urged the Consumers' Association of Penang (CAP) to "hand over its findings to the ministry".

This came about after its purported claim that some wholesalers could be hoarding Indian onions bought at cheaper prices.

CAP's statement clearly called for the ministry "to check if there is any hoarding involved by the importers and wholesalers".

The onus rests on the ministry to prove that importers and wholesalers hoard because it was the agency that claimed that the price of Indian onions had increased to double digits.

Since the ministry is well aware of this, then it should investigate the cause under the Price Control and Anti-Profiteering Act.

CAP is correct in pointing out about futures trading that serves as a buffer for importers against wild fluctuation of prices of commodities.

Thus, the onions would have been bought at the pre-determined price (according to the contract agreed upon between the exporter and the importer) and whatever stock on hand cannot be sold at current (increased) price. Moreover, futures contract is legally binding.

I'm puzzled why the ministry did not take immediate action when the prices of Indian onions spiked to double digits.

According to recent reports, the prices of onions have hovered around RM12 to RM15 per kg at major wet markets since September, compared with RM5 to RM9 previously.

The authorities said prices were likely to drop next month and urged consumers to buy subsidised onions from *pasar tani*.

The price increase is due to India raising the minimum export prices of onions to US\$850 per tonne to keep stocks for local consumption following an acute shortage caused by floods in key onion-growing states.

In Malaysia, prices of onions also varied greatly from state to state with Penang having the most expensive Indian onions (according to the ministry).

How could this happen?

The public should learn to boycott and blacklist unscrupulous business outlets.

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