

Malaysia says increase in food prices due to over-reliance on imports

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KUALA LUMPUR (Aug 6): One of the reasons that has contributed to costlier food items in Malaysia is the country's over-reliance on imports, according to Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail.

Saifuddin said Malaysia is still a net importer of food, rather than a self-reliant food producer. He said the nation's food and live animal imports increased from RM38.9 billion in 2013 to RM51.3 billion in 2017.

"Our inability to be self-sustaining in terms of food production means that we are at the mercy of importers," he said here today during the launch of the Malaysia Competition Commission's (MyCC) report titled Market Review on Food Sector under the Competition Act 2010.

The minister cited the example of beef, which is one of the food items highlighted in the MyCC report. He said the sources of Malaysia's beef imports are limited to only a handful of countries such as India and Australia, while domestic production is almost non-existent.

"This gives power to importers or foreign exporters to increase prices as and when they like and consumers have no choice but to accept it," Saifuddin said.

The MyCC report reviews market structure, level of market competitiveness and determines whether there are any anti-competitive conduct in selected food sectors. The report also unbundles the rationale behind the significant increase in prices of food items in recent years.

Five food items were reviewed. They are beef, Indian mackerel (ikan kembung), infant formula, mustard leaf (sawi) and round cabbage. The MyCC said these items were selected as they have been identified to be major food items for Malaysian households and are known to be susceptible to market issues.

Saifuddin said the MyCC report "presents a few recommendations as to how Malaysia can become more self-sustaining by diversifying our sources for the five food items and expanding our own domestic industry to reduce dependence on imports".

"By doing so, it is hoped that Malaysia can become a food secure country where citizens are able to get nutritious food at affordable prices," Saifuddin said.

