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MYCC REPORT

'IKAN RAKYAT' PRICES SKYROCKET

The influence of middlemen shoots up ikan kembung prices by 300pc

KUALA LUMPUR

CONSUMERS are paying too high a price for ikan kembung, dubbed the *ikan rakyat*, thanks to a supply chain of multiple intermediaries, which resulted in the fish being marked up to almost 300 per cent of its original value.

The Malaysia Competition Commission (MyCC), in its Market Review on Food Sector report, said the cost of a fisherman's catch of ikan kembung was about RM6.50 per kg.

Upon landing, the catch is sold to jetty owners for between RM7.50 and RM8.50 per kg.

Jetty owners then mark up the price to between RM12 and RM14 per kg when selling to wholesalers who, in turn, sell the catch to several distributors before reaching retailers.

When the catch reached retailers, consumers had to pay between RM15 and RM17 per kg.

The report said the transactions and market volume were not transparent, and the price fluctuated according to supply and demand.

The middlemen had the upper hand in creating an artificial shortage, leading to price hikes.

It said the concept of *ikan rakyat* had created a perception of the constant availability of ikan kembung in the market.

This had led to a high demand for the fish, pushing its prices higher than other fish and seafood.

Another issue was the role of the Kuala Lumpur Wholesale Market (PBKL) as a key distribu-



A fresh catch of ikan kembung at the Kuala Lumpur Wholesale Market yesterday. PIC BY MOHAMAD SHAHRIL BADRISAMALI. (Inset) Traders at the Kuala Lumpur Wholesale Market are believed to have the upper hand in fixing fish prices. FILE PIC

tion hub for Peninsular Malaysia, Sabah, Sarawak and abroad.

The traders at PBKL, said the report, had the advantage of determining market supply and volume, and subsequently influencing fish prices at other markets.

The report also said technology was being used to the advantage of wholesalers and distributors to fix prices and reap huge profits.

The catch was sometimes frozen and kept for up to three weeks when prices were low.

When prices increased, they would take out the catch to be sold as "fresh" fish.

MyCC said there was no monitoring or regulating of this practice and those involved were free to do so without penalty.

To address this issue, the report highlighted the need for more choices among consumers. It said the government needed to promote frozen fish as an alternative to fresh fish.

Besides that, MyCC recom-

mended to consolidate existing policies on e-commerce initiatives into one unified structure.

Continuous support was also needed for agricultural start-ups with innovative business models.

The report cited the example of a start-up in China, worth 10 billion yuan (RMS96 billion) in valuation this year that received the backing of investment firms and, ultimately, disrupting traditional wholesaling in China by cutting out the middlemen.