'We'll try to keep prices low'

Restaurants hit hard but 'it's not like we use a lot for one roti canai'

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PETALING JAYA: Malaysians entered November having to recalibrate their budgets following the reduction in cooking oil subsidy and the 15 sen increase in fuel prices.

Over in Johor, Singaporeans had to do calculations of their own as the first day of this month marked the start of the RM20 road charge (RC) for foreign-registered vehicles crossing the Causeway into Malaysia.

For cooking oil, the largest 5kg bottle has seen a price increase of up to 60%.

However, the Malaysian Muslim Restaurant Owners Association (Presma) feels there should not be an increase in the price of food at restaurants because subsidised cooking oil was not meant for businesses in the first place.

Its president Noorul Hassan Saul Hameed said only households and ordinary consumers would be affected by the removal of subsidies.

"Most restaurants would not dare raise prices now because it would drive away their customers," he said yesterday.

But some restaurant operators admitted relying on subsidised cooking oil and said they would now be hit hard.

A restaurant franchise owner in Penang said it was a double whammy for him.

"My chef and I have been wondering how to price our food," said the owner, who only wanted to be known as Ibrahim, 65.

"If we raise prices, our customers may stop coming. But if we don't, our profits will drop further," he said.

He added that the prices at his outlets had remained the same for the last two years despite inflation.

"We want to see what else increases in cost before deciding if we should charge more," he added.

Deli and Drinks Junction @ 11's owner Aznita Aidid in Shah Alam described the double increase as "crazy".

"This is going to be bad for business. I have no choice but to increase prices," she said.

Making careful choices: Puteri Sriwani, 33, buying cooking oil at a hypermarket in Damansara. For many, they have to be prudent since the subsidies were removed.

Price comparison of Buruh cooking oil in Mydin before and after November

	Old price (RM)	New price (RM)	Percentage increase (%)
500gm	1.85	**2.90**	57
1kg	3.30	**4.95**	50
2kg	6.25	**9.45**	51
3kg	9.00	**13.90**	54
5kg	13.35	**20.95**	57

Source: Mydin Mohamed Holdings Bhd

Aznita, who set up her business early this year, has seen her profits declining over the months as the economy worsened.

"It was good only during the first few months," she said.

Kayu Restaurant owner and managing director Burhan Mohamed said he would be maintaining his prices.

"The increase for one litre of cooking oil is about 40 sen. It's not like we use that much of oil to make one *roti canai*," he said.

Malaysia-Singapore Coffee Shop Proprietors' General Association president Ho Su Meng said his members would try to avoid passing down the cost to customers.

Norhermawati Omar, a single mother of five, feared the impact of costlier food.

With no time to cook, the 37-year-old purchasing executive said her family ate out most of the time.

"But now with the increase in cooking oil prices, my expenses are going to rise," she said.

Her children get a daily allowance of RM3 each, but that may not be enough if their school canteen operators raise their prices.

A Tesco Stores (Malaysia) Sdn Bhd spokesman assured customers that their prices would remain competitive, while Mydin provided a before-and-after price of a brand of cooking oil **(see graphic)**.