No more cooking oil subsidies

Eating out is expected to become more expensive

KUALA LUMPUR: In just 12 days, cooking in Malaysia will get costlier with cooking oil prices going up.

And expect eating out to cost more too, as restaurants and eateries prepare to "pass the buck" to customers.

It is significant to note that this will be the first price increase of cooking oil in 10 years.

On Nov 1, the subsidies for all but two sizes of cooking oil packages will be removed.

The two that will be spared until the end of the year are the 1kg polybag and 5kg bottle.

In the New Year, only the price of the 1kg package will still be subsidised.

All the other sizes, such as 500g, 1kg, 2kg, and 3kg bottles, will no longer be subsidised by the Government.

"All retail prices of blended cooking oil in various packing sizes will also no longer be subsidised," the Malayan Edible Oil Manufacturers' Association said in a statement yesterday.

It said this was in line with Restructuring of Cooking Oil Price Stabilisation Scheme (COSS) implemented by the Government in June 2007 due to the high price of palm oil back then.

The association said the COSS was being re-structured as part of the Government subsidy rationalisation plan.

The retail ceiling price for the 1kg polybag and 5kg bottle will be revised upwards – from RM2.50 to RM2.90 for the 1kg poly bag, and from RM13.35 to RM15.25 for the 5kg bottle.

Restructuring of Cooking Oil Price Stabilisation Scheme

Cooking oil	Pack size	Nov/Dec 2016	Jan 2017 onwards
Blended oil (bottle)	500g, 1kg, 2kg, 3kg, 5kg	No subsidy No price ceiling	No subsidy No price ceiling
Refined palm oil (bottle)	5kg	Still subsidised Ceiling price: RM15.25 (up by RM1.90)	No subsidy No price ceiling
	500g, 1kg, 2kg, 3kg	No subsidy No price ceiling	No subsidy No price ceiling
Refined palm oil (polybag/plastic)	1kg	Still subsidised Ceiling price: RM2.90 (up by RM0.40)	Still subsidised Ceiling price: Pending

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Fomca deputy president Mohd Yusof Abdul Rahman said the main concern was that traders would increase the prices of cooked products.

"The Government needs to ensure that traders will not increase prices by too much," he said.

Mohd Yusof added that Fomca expected prices of food to go up soon.

Federation of Malaysian Hawkers Association president Yaw Boon Choon said the removal of subsidy for cooking oil would affect food traders.

"This is mainly for hawkers who use a lot of oil, such as *cakoi* sellers," he said.

Angeline Leong, 47, who works in the property management sector, said she planned to stock up on cooking oil.

"Usually, I buy a 5kg pack of cooking oil a month. Now I will buy four or five bottles," she said.

Mrs Lim, a 50-year-old housewife who lives in Petaling Jaya, was surprised when told of the impending price increases.

"Eating out is going to be more expensive. Hawker food and eating in restaurants will be an expensive affair," she said.

Suria Mohd, 32, said she could not do much about the price increase.

"I cannot fry without using cooking oil," she lamented.

In the statement, the association said it had also been informed that the COSS, which has been under the purview of the Plantation Industries and Commodities Ministry, would be overseen by the Domestic Trade and Industry Ministry from November.

Government subsidies for basic items such as petrol, diesel, cooking oil, flour and aid such as BR1M had decreased by 9.6% to RM24.64bil this year, from RM27.3bil last year.

It is expected that the amount could be lower next year as part of the subsidy rationalisation programme.

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