

AP abolition strengthens food security

KUALA LUMPUR: The government's move to abolish approved permits (APs) for food imports is viewed as a short-term solution as it allows markets to operate freely to strengthen the country's food security and halt the price hike, an economist says.

Malaysia University of Science and Technology (MUST) economics professor Geoffrey Williams said the government is doing the right thing in stages – from price caps to market liberalisation – to ensure sufficient food supply in the country.

"We should see the price pressure easing and this will benefit consumers in the short term.

"Then, if the APs are not reimposed, we should see more long-term benefits in terms of lower prices, more product options and better quality," he told *Bernama* during an interview.

Recently, Prime Minister Datuk Seri Ismail Sabri Yaakob announced the government's decision to abolish APs for food products immediately to ensure that the country has an adequate food supply.

Chicken is one of the food products that are currently in the spotlight due to the supply shortage.

Williams, who is also the MUST provost for research and innovation, said the abolishment of the APs is an important step towards creating open, free and transparent trade arrangements.

"It should be extended beyond food towards abolishing all APs and import restrictions except for health and safety reasons.

"This will promote business and trade, reduce prices for consumers and lower costs for the government – a win-win solution – and will promote investments, jobs and growth as well as help keep food prices down," he added.

According to the Statistics Department, over the last 10 years, Malaysia's food imports amounted to RM482.8bil and exports RM296bil.

In order to meet the domestic consumers' needs and demands, it said imports of food products, especially onions, dairy products, coffee, wheat flour, tea, shallots, potato and cooking oil are necessary.

Meanwhile, Sunway University economics professor Yeah Kim Leng said the food cartel members will have to face the open market competition following the abolishment of the APs.

"But they will have an advantage if they have already established a distribution network and economies of scale in their operations," he said. — *Bernama*