

Dealing with rising prices

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Consumers should look out for discounts, buy store brands and cut down on the purchase of less essential goods. -NSTP/HAIRUL ANUAR RAHIM

I AM writing in response to news about the rising cost of goods and charges for services.

The year started with the imposition of new taxes and an increase of the Sales and Service Tax (SST), beginning with the tax on online sales of low-value goods, and the increase in service tax from six to eight per cent, with exemptions to essential goods and services.

We will also see the imposition of the High-Value Goods Tax on luxury goods soon.

We can understand the government's intention to find new sources of revenue and appreciate its efforts to minimise the effects of tax increases on B40 and M40 households.

The Domestic Trade and Cost of Living Ministry says it's monitoring traders and will deal with profiteering activities.

However, we must accept that businesses will pass the higher cost to consumers.

A report from the Retail Group Malaysia said: "The weakening ringgit puts pressure on companies selling imported retail goods or imported raw material and semi-finished goods. Many are passing the higher cost to end consumers."

Similarly, any increase in operational cost to businesses, such as increased tax on utility bills, will be passed on to consumers.

While food and beverages are exempted from the two per cent increase in the SST, consumers will still need to pay more for their recreational and other needs.

Many countries are reporting on manufacturers reducing the size of the packaging and increasing prices arbitrarily.

The trend is the same in Malaysia, particularly over the last two years.

Packaging of household goods, such as detergents, toiletries and food products, has been reduced from 1kg to 900gm or 800gm, and from 500gm to 450gm or 420gm.

Households complain that their monthly groceries finish earlier than the month's end. This is called shrinkflation.

For us, the term is "hisap darah".

More needs to be done by the authorities to monitor businesses that take advantage of loopholes or lack of legislation by reducing the size of packaging to profiteer and deceive consumers.

Consumers too need to be more vigilant and not tolerate unjustified price increases.

They should change their shopping patterns, looking out for discounts, buy store brands and drop or cut down on the purchase of less essential goods.

Consumers should take advantage of Rahmah sales events and the PriceCatcher app to compare prices.

GUNA SELAN MARIAN

Deputy secretary-general

Education and Research Association For Consumers, Malaysia

Petaling Jaya, Selangor