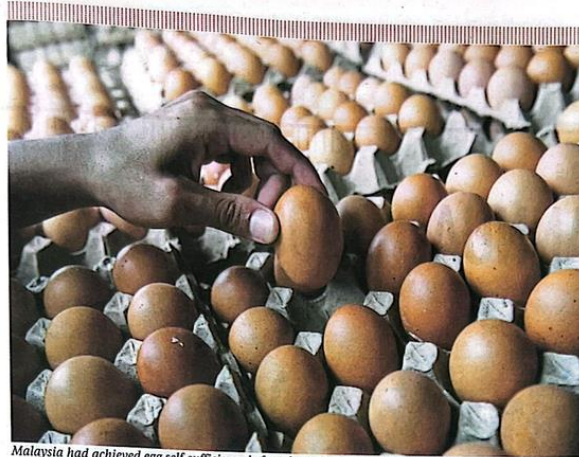


# KERATAN AKHBAR

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## 'Abolishing egg import APs unsustainable'



Malaysia had achieved egg self-sufficiency before the current supply crisis. FILE PIC

### SUPPLY SHORTAGE

# 'ABOLISHING EGG IMPORT APs UNSUSTAINABLE'

Govt should look into issues within the supply chain instead, says expert

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**A**BOLISHING approved permits (APs) for the importation of eggs may not be a sustainable solution to the shortage of the food commodity.

Economist Dr Irwan Shah Zainal Abidin from Universiti Utara Malaysia said the government should instead identify issues within the supply chain since the country had achieved egg self-sufficiency before the current supply crisis.

"The problem of egg supply in the market is that upon examination of the country's self-sufficiency level, it becomes apparent that it exceeds 114 per cent. This indicates that there is a surplus," he said.

"Therefore, it is imperative to understand the root cause of the present crisis, as it is not a scarcity of supply. Eliminating APs for egg imports would only exacerbate the situation by creating a surplus of imported eggs, thereby depressing prices and rendering the selling of eggs unprofitable for local suppliers.

"It is crucial to remember that profitability for egg farmers and

suppliers is a key determinant of the stability of the supply of eggs. If they are unable to earn a profit, they may be inclined to manipulate the supply or prices of eggs," he told the *New Straits Times*.

Irwan, who is former director of the Asean Research Institute of Banking and Finance, said it was important to identify specific points of dysfunction within the supply chain that prevented suppliers from making a fair profit.

"Ultimately, it is traders and chicken farmers who supply these eggs and it is essential to acknowledge that they also seek to earn a profit. It is crucial to identify the specific problematic points within the supply chain that are contributing to the current shortage of eggs in the market.

"One potential area of concern may be the management of costs throughout the supply chain. Cost-related issues may be preventing egg suppliers from achieving profitability."

On Sunday, Bumiputera Retailers Association president Datuk Ameer Ali Mydin urged the government to remove APs for importing chicken eggs to stabilise supply and prices in the market.

Ameer said by doing so, the prices of eggs would be competitively set and a minimum reduction of 10 per cent in its price could be expected as more peo-

ple, including hypermarkets, could directly import eggs.

Irwan said that it might be more productive for the government to redirect its efforts away from price controls, as inflation persisted.

He said the government should instead prioritise creating high-paying jobs to enhance purchasing power and drive wages above the inflation rate, in addition to implementing other policies.

"To address the high cost of living, it's important to create high-income jobs. This will help people have more money to spend and push wages up above the rate of inflation.

"It's important to understand that lowering the prices of goods is not the solution. Even though inflation may be decreasing, prices are still going up, just at a slower rate.

"That is why Bank Negara Malaysia has not raised the overnight policy rate yet, but it may do so later in the year. So, our focus should be on creating jobs and increasing wages above inflation rates."

He also suggested that the government take several measures to alleviate the burden of the high cost of living on citizens, such as raising the minimum wage, providing direct financial aid, implementing a coupon system for essential goods and reducing public transportation costs.



Dr Irwan Shah Zainal Abidin