

# KERATAN AKHBAR

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## 'We try to keep prices low but everything has gone up'

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**PUTRAJAYA:** Restaurant operators are claiming that they had only increased prices marginally even though fresh produce cost much more these days.

Malaysian Indian Restaurant Owner's Association (Primas) president Govindasamy Jayabalan said prices of essential raw material like milk, vegetables, beverages and flour had also increased.

"We did not increase the prices too high as we are catering mainly for the B-40 income group.

"We are surprised about the Economy Minister Rafizi Ramli's recent statement (about price hikes) and we hope that he goes to the ground to see the actual situation," he said, when contacted yesterday.

Earlier Rafizi said the prices of food at restaurants and other eater-

ies are the main component driving inflation, despite measures to ensure prices of raw food materials are kept affordable for consumers.

Rafizi said the government had used its resources to control prices of raw materials, so as not to burden the people.

Govindasamy also said that the sector faced labour issues, with many employers having to pay

higher wages for workers.

"Previously, the minimum wage was RM1,200 monthly but now we have to pay at least RM1,500.

"All these need to be considered and we need some time to get back on our feet," he said.

The Association of Muslim Restaurant Operators of Malaysia (Presma) president Datuk Jawahar Ali Taib Khan said the government

needs to help restaurant and eatery owners get raw materials at a cheaper price.

"The (relevant) minister needs to be more concerned about helping restaurant owners to get supplies at reasonable prices by discussing with suppliers and wholesalers to overcome the problem," he said.

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## Be selective when buying food, consumers urged

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According to Jawahar, there has been no reduction in the price of goods in the market that would warrant a reduction in food prices at restaurants registered under Presma.

He also said there is an increase in rent and basic necessities that restaurant owners have to face, which contributed to higher operation cost.

Centre for Market Education chief executive Carmelo Ferlito said the idea that prices are determined by the cost of production is misleading.

"Prices of consumer goods are determined by supply and demand, and supply and demand are subjective evaluations.

"The interaction between these subjective evaluations generates market prices.

"This is not only true for the

prices of consumer goods but also for the prices of production factors," he explained.

"Therefore, prices of production factors (cost of production) do not determine prices of consumer goods, but the process works in the opposite way: expectations about future prices for consumer goods, determine the emergence of prices for production factors," he noted.

Consumers Association of Penang (CAP) education officer NV

Subbarow said restaurant owners are still paying high for raw ingredients, thus they are selling food items at very high prices.

"The portion of chicken, fish and others in meals are getting smaller and cheaper vegetables are commonly served to consumers," he said.

He said consumers must exercise their rights and be selective when buying their food at restaurants.