

## Doing Away With APs Won't Ensure Food Security, Says Economist

(FMT) – While the doing away with approved permits (AP) to import food will see consumers benefiting from lower prices and increased choices, more concrete measures are needed to reduce the country's dependence on food imports, says an economist.

Barjoyai Bardai, of Universiti Tun Abdul Razak, said the removal of the long-standing policy, which was announced by Prime Minister Ismail Sabri Yaakob yesterday, was aimed at countering the rising cost of food items and ensuring sufficient food supply.

However, he warned that this would not be enough to guarantee food security in the long term.

"I expect prices to come down slightly, but this will be for the short term and won't work in the medium or long term," he said. "We need to practise import substitution. We have to see what impact this will have on our imports and balance of trade."

Import substitution refers to the blocking of imports in a bid to increase demand for locally produced goods.

APs were previously required for the import of mangoes, coconuts, papayas, some vegetables, meat and nine different types of seafood.

According to a **statistics department** report last year, Malaysia imported food worth RM482.8 billion from 2011 to 2021, with exports during the same period amounting to RM296 billion.

The report also noted that Malaysia was highly dependent on imports of beef, mutton, coconut and mango to meet domestic demand.

The head of the Mydin hypermarket chain, Ameer Ali Mydin, said the move to do away with APs would put an end to the "monopolistic attitude" of certain players in the market.

He said the policy would ensure all businesses could now compete on a level playing field and this would be viewed positively by foreign investors.

Ameer also urged the government to remove APs for other items with the long-term goal of becoming a more open economy and providing more options to consumers.

"Hats off to the prime minister for making a bold decision no other prime minister has done before," he said.

"These APs have been around forever, for as long as I can remember. No prime minister for the last 65 years since independence has been willing to do this because of pressure from rent seekers."

Federation of Malaysian Consumers Associations (Fomca) president Marimuthu Nadason also thanked Ismail for "listening to the voice of the rakyat", saying the move would allow "more players with guts" to enter the market.

"Previously, you could only get approvals (APs) if you had connections," he said.

Stressing that food security is a huge concern across the world, Marimuthu said the government should do its best to ensure that basic food items were readily available and not affected by international pressures.

<https://www.malaysia-today.net/2022/05/19/doing-away-with-aps-wont-ensure-food-security-says-economist/>