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22 March 2018

Press Statement by YB Dato' Sri Hasan Arifin, Chairman of the Public Accounts Committee of Parliament on Tabling of the PAC Report on the Management of the Cooking Oil Price Stabilization Scheme under the Ministry of Plantation Industries and Commodities (KPPK).

- 1) PAC today, tabled the PAC Report on the Cooking Oil Price Stabilisation Management Scheme (COSS) under the Ministry of Plantation Industries and Commodities (KPPK).
- 2) This issue is based on the findings of the National Audit Department (JAN) in the presentation of the Auditor-General's Report (LKAN) 2015 Series 2 which is tabled in Parliament on 21 November 2016.
- 3) PAC called for Proceedings on this issue, on 8 December 2016 by summoning KPPK's Secretary-General, Datuk M Nagarajan and Dr Ahmad Kushairi Din, Director-General of the Malaysian Palm Oil Board to clarify issues raised by JAN.

- 4) In the Proceedings, PAC members raised the following issues:
- i) Performance of quota holders under COSS
 - ii) COSS Quota Determination;
 - iii) Temporary Packaging Quota Distribution; and
 - iv) Third Party Appointments for Cooking Oil Packaging Activities.

- 5) Based on the Proceedings, PAC summarizes that:

PAC believes that the government has made the right decision for KPDNKK to take over the management of cooking oil subsidies from KPPK because cooking oil is consumer goods under the jurisdiction of the Ministry of Domestic Trade, Cooperatives and Consumerism (KPDNKK). In addition, the cooperation between the Ministry, Department, Government agencies in enforcing enforcement must be enhanced so that leakages do not occur that could cause the government to spend huge amounts of subsidies for COSS.

- 6) Following that, PAC recommends the Government to:

- i) Seek parties interested to review the cooking oil monitoring system and mechanism more effectively.
- ii) Enhanced monitoring through enforcement between Ministries, Departments, Government agencies as well as involving NGOs such as the Consumers Association to prevent the occurrence of problems with the shortage of cooking oil in the local market which forced the Government to bear large amounts of subsidies.
- iii) Ensuring cooking oil quota is given to a truly qualified entrepreneur and has its own factory and a good track record.

- 7) The public who are interested in reading and reviewing the PAC Report on the Management of Cooking Oil Price Stabilisation Scheme under the Ministry of Plantation Industries and Commodities (KPPK) may download the report at PAC website at www.parlimen.gov.my/pac

The Hon. Dato' Sri Hasan Arifin
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