

Features

Young Singapore chefs serve up hope for street food's future
Page 19



Addressing the pricing issues

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While shopping for groceries recently, I overheard a discussion on the hot topic of rising commodity prices in the country between two housewives.

One housewife voiced her growing concern of the price increase in food and other commodities, while another suggested that the authorities should directly intervene by putting a cap on the prices of commodities through price control.

It is easy to think that price control can solve the issue, but it also has serious long-term implications to not only on the local business environment, but also consumers.

The COVID-19 pandemic has not only impacted the health of the world population but the lives of many, especially with an upsurge in the prices of necessities and food caused by shortages from disrupted global supply chain and production.

A majority of countries are still affected by COVID-19 and are in a

certain degree of lockdown. This has not only disrupted full production of commodities but also export and shipping, leading to the shortage of supplies as production was halted or shipping lines were restricted.

According to the World Bank, global food prices measured by the World Bank food price index, rose 14 per cent last year.

Although the deadly and contagious disease is under control and the country has been without any local transmission of COVID-19 for more than 270 days, Brunei Darussalam is not exempted from the shortage of supplies and increase in prices. Undeniably, the increase of prices is a cause for concern for the public locally and globally.

The recent fiasco surrounding the shortage of chicken further fuelled the shortage caused by panic buying among some households.

With the increase of prices of food commodities, understandably, the public is looking for the authorities to have a direct intervention to tackle the issue by regulating or controlling through price caps or setting of maximum prices.

However, the measure of regulating price of goods is not a real solution and in fact could ill impact

the local business environment and consumers as well.

This is because price is a signal of underlying demand and cost. As such, the price increase's underlying factors must be carefully assessed before prescribing policy measures or regulatory alternatives to address the root cause.

A price intervention policy by setting maximum prices on goods will be counter-productive if the increase in price is due to the rise in cost.

According to the Essential Food Price Monitoring Report by the Department of Competition and Consumer Affairs (DCCA) of the Department of Economic Planning and Statistics (JPES) on January 25, price increases of some key food commodities are due to multiple factors, including: increase in cost of goods imported; the increase in price of input; differences in business costs such as source of import, logistics and supply chain disruptions as countries outside Brunei are still very much affected by the pandemic; and a surge in demand when supply cannot be met.

In other words, if supply has been severely constrained, at least partly because of sharp increases

in the cost of inputs acquired via international supply chains, controlling price would not be effective to provide suppliers with incentives to increase output. Therefore, setting prices in the name of preventing the price from further rising will not help consumers or alleviate shortages.

Price control cannot address shortages. Fixing prices at lower levels will merely enforce existing demand patterns. This will result in worse shortages for many consumers down the line; over time, affecting supply and the quality of goods offered in the market. This backfires instead of helping enhance consumers' welfare.

The DCCA as the price control law enforcement agency has gained vast experience and insights on the impact of maximum price setting, which potentially affects the choice of goods available in the market. This is because maximum price setting cannot adequately take into account individual business costs, which are very different from business to business.

For example, take the choice of infant milk powder brands in the Temburong District before the Sultan Haji Omar 'Ali Saifuddin Bridge was opened in March last

year. There were only six brands found in Temburong, from a total of 13 brands in the entire Brunei market. Retailers chose not to sell some brands when the maximum price set on products may not provide adequate profit incentive, given that they may have a relatively high logistics costs to cover. When businesses simply chose not to sell them, consumers are left with less choice to choose from.

Today, one may find more choice of powdered infant milk brands available in Temburong, from six to nine brands from a total of 13 brands in the entire Brunei market, with the number of products almost doubling from 46 to 90. This is attributed to the opening of the Temburong bridge in March last year, which has brought about a reduction in business costs, specifically transport costs.

Nevertheless, while the above illustrates that a policy to set maximum price may well prevent the market price from rising above a certain level, it is certainly not an easy task to determine what that cap should be, as businesses have differing cost structures.

Continue to Page 18

Addressing the pricing issues

From Page 17

However, price capping policy may be relevant to prevent consumers from being exploited by businesses using that abuse their monopoly power; in other words, when price increase is an exploitative business practice without objective justification.

This type of conduct may justify price intervention policy; however, this must be carefully assessed to decide between price intervention through price caps or other appropriate regulatory alternatives to be considered.

It will be counter-productive to set prices over a long term. While price intervention may be used as a short-term response to help vulnerable households, policy instruments to manage the impact of price increases must be designed carefully with three goals in mind: they should protect vulnerable consumers; they should maintain and create incentives for producers, supplier and retailers; and they should be financially sustainable.

As part of the effort to address price is-

ues, the DCCA has been actively monitoring the prices of essential commodities which are significant to the public and the economy by compiling the trend of retail price data and cost of goods, to enable price trend analysis and to assess the cause of any price increases, in order to assess appropriate measures in addressing those concerns.

It is important to note that measures to counteract market issues are very much cross-cutting in nature, involving sector regulators to examine policies or regulations which may impact market players and supply level.

This calls for cooperation with the agricultural, food processing and grocery retail sectors, to ensure that supply chains for food and other essential household items remain functional. This is the most effective way to guard against significant price increases during a crisis and to ensure a resilient food supply system.

To encourage and nurture a smart consumer culture, prices of goods being monitored are published on the PeggunaBijak app. This was done for face masks and hand sanitiser from the start of the COVID-19 pan-



dem until prices and supply stabilised. It is also being done now with prices of selected food commodities on a weekly basis.

This is in addition to the prices of nine categories of daily essential goods that are com-

puted on a regular basis. These are provided from the participating retailers once a month. This initiative educates consumers on the choices available at retailers to enable consumers to make informed purchase decisions.

Ten ways helicopters changed the world



A helicopter works to put out multiple fires at the scene of the massive explosion that hit Beirut's port. PHOTOS: AFP



File photo shows the Marine One helicopter arriving at the White House as the back-up helicopter flies past the Washington monument

PARIS (AFP) - The first helicopter took off 100 years ago this month, piloted by French inventor Etienne Oehmichen.

His experimental machine took to the sky on February 18, 1921, soaring way beyond what a fellow Frenchman and his "flying bicycle" had achieved a decade earlier.

Since that first flight, choppers have become a modern mainstay - saving lives in rescue operations, and ending many more in wars from Vietnam to Afghanistan.

We look back at the helicopter's multiple uses, from VIP get-about to missile-firing gunship.

ULTIMATE STATUS SYMBOLS

With private jets, helicopters are the ultimate object of prestige travel, carrying world leaders to key meetings or to their golf courses, in the case of former United States (US) president Donald Trump.

But Britain's Queen Elizabeth II, who has her own pad at Buckingham Palace, said she does not like them at all - even when her sons and grandsons are at the controls.

"Why do they always go round and round when you want to talk," she told naturalist David Attenborough in 2018. They also reminded her of visits by US presidents, who routinely use the Marine One helicopter for trips from the White House lawn.

THE RICH AND FAMOUS

Hollywood star Angelina Jolie purchased a helicopter for over USD1.6 million in 2012 so that then husband Brad Pitt could learn to fly. The couple also had a pad installed at their home in southern France, which made it easy for them to hop to the nearby Cannes film festival.

Harrison Ford owns a Bell 407 helicopter and Clint Eastwood has been a helicopter pilot for over three decades.

But celebrities' love affair with choppers can also be fatal.

US basketball legend Kobe Bryant died in a crash in January 2020 while Thai billionaire and Leicester City owner Vichai Srivaddhanaprabha was a victim of a horrific accident in 2018 after flying in to watch his beloved English football club.

WEAPONS OF WAR

Helicopters have played key roles in wars from Vietnam to Afghanistan, the Falklands, Syria and the Gulf wars. They are used both in combat, where they can be powerful and devastating with their sophisticated guided missiles, and also for transporting troops and equipment.

SEARCH AND RESCUE

With their versatility, helicopters are used to pull people out of stormy seas, off mountain-tops and from landslides and earthquakes.

They were also vital after the world's worst civilian nuclear accident at the Chernobyl plant in Ukraine in 1986, dumping thousands of tonnes of lead, sand and clay to cover the destroyed reactor.

And they were used to extinguish the fire following the devastating port explosion in Beirut in 2020.

FIGHTING CRIME

Police use helicopters with sophisticated surveillance cameras and night vision, forward looking infrared (FLIR) cameras, teargas dispensers and searchlights to help capture suspects, chase cars and help locate missing persons. They are now also a vital tool to manage large public order operations such as sports events and protests.

AIR AMBULANCES

Some helicopters function as ambulances, especially equipped with a complete set of intensive-care accessories, rushing people from the scene of accidents or transferring patients between hospitals.

COVERING THE NEWS

When the story is big enough, news organisations have been known to spend thousands of dollars on helicopters to help gather news and images of everything from hurricanes and riots to sports events and celebrity weddings.

OIL RIGS

Choppers routinely carry oil workers to offshore rigs in the North Sea, Persian Gulf and the Arctic.

TOURIST HOT SPOTS

Before the pandemic put the brakes on the tourism industry, helicopters gave a birds' eye view to visitors of the Grand Canyon in the US, the Everest Base Camp in the Himalayas, Victoria Falls in Zimbabwe and many other destinations from Iceland to New Zealand.

DRONES

Helicopters have served as a model for some drones, which range from playthings to weapons of war and industrial and environmental tools. Rotary wing drones are also used for search and rescue and security and surveillance operations.