



INDEPENDENT CONSUMER & COMPETITION COMMISSION

Office of the Commissioner

PRESS STATEMENT

4% AVERAGE PRICE INCREASE FOR TRUKAI RICE PRODUCTS

The Independent Consumer and Competition Commission (ICCC) today announced an average increase of 4% for Trukai rice products to be sold throughout PNG. This price increase will have taken effect as of Tuesday 1st November.

The Commissioner of ICCC, Mr. Thomas Abe said that this price increase was sought by Trukai Industries Limited as a result of increases in rice grain prices coming out of Australia from US\$465 to US\$497 per metric tonne or a 6.88% increase. The increase in import prices came into effect from 1st September. However, Trukai's prices will be adjusted from 1st November. Mr. Abe added that high international crude oil prices have resulted in high freight costs, which added to the cost of importing and distributing rice products throughout the country.

Mr. Abe also said that the Commission undertook a detailed analysis of the price submission by Trukai and is satisfied to allow a 4% average in the wholesale price of rice products.

"The Commission has satisfied itself with the increase in imported rice prices upon receiving documentary evidence. The net average price adjustment therefore has been calculated by the Commission as 4%," Mr. Abe said.

Margins at the factory on all products will remain at their current levels until the release of the Final Report into the Rice Industry Pricing Review, which will determine the form these margins will take and whether or not there will be increases or decreases. The wholesale and retail margins, which are presently measured in percentage terms, will also remain unchanged.

Mr. Abe also said that the Commission is currently undertaking a major pricing review into the rice industry in PNG and the Final Report is scheduled for release in December. He appealed to all stakeholders of the rice industry, including consumers to obtain a copy of the Draft Report from the Commission and make submissions to the review.

“This review will determine the future of price regulation for rice in PNG and it is important that all stakeholders make submissions to the review,” Mr. Abe said.

The Commissioner also added that the Commission’s inspectors will be conducting inspections throughout the country to ensure that wholesalers and retailers do not take advantage of the new price increases and charge above the recommended wholesale and retail margins.

For further information please do not hesitate to contact the Acting Executive Manager, Prices and Regulatory Affairs, Mr. Paulus Ain on 325 2144 or by email on pain@iccc.gov.pg

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THOMAS ABE
Commissioner