

Petronas Adviser
Chedet.co.cc
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By Dr. Mahathir Mohamad

I have been asked by the media and commentators in my blog as to whether I would quit as adviser to Petronas following my quitting as an UMNO member.

I would like to believe it is not exclusive to UMNO members.

Prior to my being adviser, the post was held by Tun Hussein Onn who was appointed by me following his resignation as Prime Minister. When UMNO was made illegal and UMNO Baru was formed Tun Hussein remained outside the party but this did not affect his position in Petronas. He remained Petronas adviser until he passed away.

Tun Hussein was also ISIS (Institute of Strategic and International Studies) chairman from 1984 until his demise.

As I have stated before I have no intention of quitting. It is ridiculous if all advisory appointments subject the appointee to saying only the things that please the Government.

The Government is free to remove me from this position as it sees fit.

Dr M threatened judges

Both the New Straits Times and the Star today chose to splash Justice Dato Ian Chin's "stunning" claims of my alleged interference in the judiciary, providing brief respite from the current issues of oil price hike etc etc

I will refrain from commenting for now and will do so in due time.

However, I am quite curious about what Ian Chin considers as "veiled threat". Perhaps he could be more specific as his allegations are very serious.

2 Comments

1. *wati*

July 5, 2008 at 1:02 pm | [Permalink](#)

Malaysia Boleh!!! Malaysia Boleh Naik Hargaâ
WHAT IS NEVER MENTIONED IN Mainstream Media like
NST/TheStar/Utusan/BH are these factsâ
Malaysian PerCapita Income USD 5000
VS
Singaporean PerCapita Income USD 25000
Further The Star made a comparison of prices in Thailand , Singapore and

Indonesia .

For Thailand it is quoted at RM3.90/liter, however are they aware that in Thailand new cars are cheaper than Malaysia by RM10,000? They pay only one life time for their driving license? No renewal fee after that? Also that goes for road tax as well? And do TheStar also aware that you can drive all the way from Hadtyai to Bangkok on a six lane highway without paying any Tolls ???!

Whereas here in Malaysia you have to pay yearly renewal for road tax , driving license and TOLLS, TOLLS, TOLLS!!!

For Singapore how can you quote RM 5.20 ? Please quote in Singapore Dollars because they are earning in Sing Dollars. You might as well say Europeans are paying RM10/liter. RM5.20/liter = Sing \$ 2.20/liter, still cheaper than Malaysia in view of fact that Singapore is not a crude oil exporter. Are you saying that you fill up petrol in Singapore by paying Ringgit?

In economy, dollar to dollar must be compared as apple to apple. Not comparing like durian in Mâ™sia is much cheaper than durian in Japan!! Of course-lah, Japan is not durian producer!!! Comparing Malaysian durian with Thailand durian make more sense!!

For Indonesia we might say is cheaper there at RM2.07/liter but compare that to their level of income!

Now, let us compare the price with OIL PRODUCING countries:

UAE – RM1.19/litre

Egypt – RM1.03/litre

Bahrain – RM0.87/litre

Qatar – RM0.68/litre

Kuwait – RM0.67/litre

Saudi Arabia – RM0.38/litre

Iran – RM0.35/litre

Nigeria – RM0.32/litre

Turkmenistan – RM0.25/litre

Venezuela – RM0.16/litre

MALAYSIA – RM2.70/litre

RM 2.70!!! Individual perspective:

As of last month a Toyota Vios would â™cause a damageâ™ of about RM 89,000.

In the international market, a Toyota Vios is about USD 19,000

USD 19,000 = RM 62,700 (using the indicative rates of USD 1 = RM 3.30)

That makes Malaysian Vios owners pay an extra RM 26,300.

This RM 26,300 should be cost of operations, profit and tax because the transportation costs have been factored in to the USD 19,000.

RM 26,300/ RM625 petrol rebate per year translates to a Vios being used for 42.08 years.

I do understand that the RM 625 is a rebate given by the government, but it also means that one has to use the Vios for 42.08 years just to make back the amount paid in taxes for the usage of a foreign car. Would anyone use any kind of car for that long?

Now with these numbers in front of us, does the subsidy sound like a subsidy or does it sound like a penalty? This just seems to be a heavy increment in our daily cost of living as we are not only charged with high car taxes but also

with a drastic increase in fuel price.

With all the numbers listed out, I urge all Malaysians to join me in analyzing the situation further.

Car taxation is government profit, fuel sales is Petronasâ™ (GLC) profit which also translates into government profit. The government may ridicule us Malaysians by saying look at the world market and fuel price world wide.

Please, we are Malaysians, we fought of the British, had a international port in the early centuries (Malacca), home to a racially mixed nation and WE ARE NOT STUPID!!!

We know the international rates are above the USD 130/barrel. We understand the fact that the fuel prices are increasing worldwide and we also know that major scientist are still contradicting on why this phenomenon is happening. Some blame Bush and his plunders around the world and some blame climate change and there are others which say petroleum âˆwellsâ™ are getting scarce.

Again we go back to numbers to be more straight fwd

1 barrel = 159 liters x RM2.70/liter = RM 429 or USD 134

On 1 hand, we are paying the full cost of 1 barrel of crude oil with RM2.70 per liter but on the other hand the crude oil only produces 46% of fuel.

Msia sells crude oil per barrel at USD130 buys back Fuel per barrel at USD134. And not forgetting, every barrel of fuel is produced with 2 barrels of crude oil.

1 barrel crude oil = produce 46% fuel (or half of crude oil), therefore

2 barrel crude oil = approximately 1 barrel fuel

In other words, each time we sell 2 barrels of crude oil, equivalently we will buy back 1 barrel of fuel.

Financially,

Malaysia sell 2 barrel crude oil @ USD 130/barrel = USD 260 = RM 858

then, Malaysia will buy back fuel @ USD 134/barrel = RM 442/barrel

Thus, Malaysia earn net extra USD 126 = RM 416 for each 2 barrel of crude sold/exported vs imported 1 barrel of fuel !!!

(USD 260-134 = USD 126 = RM416)

So where this extra USD 126/barrel income is channeled to by Malaysian Govt?????????

Another analysis:

1 barrel crude oil = 159 liters.

46-47% of a barrel of crude oil = fuel that we use in our vehicles.

46% of 159 = 73.14 liters.

@ RM 2.70/liter x 73.14 liter = RM197.48 of fuel per barrel of crude oil. This is only 46% of the barrel, mind you. Using RM 3.30 = USD 1, we get that a barrel of crude oil produces USD 59.84 worth of petrol fuel (46% of 1barrel). USD 59.84 of USD 130/barrel turns out to be 46% of a barrel as well.

Another 54% = bitumen, kerosene, and natural gases and so many more.

And this makes a balance of USD 70.16 that has not been accounted for.

So this is where I got curious. Where is the subsidy if we are paying 46% of the price of a barrel of crude oil when the production of petrol/barrel of crude oil is still only 46%?

In actual fact, we still pay for this as they are charged in the forms of fuel surcharge by airlines and road taxes for the building of road (because they use the tar/bitumen) and many more excuse charging us but let us just leave all

that out of our calculations.

As far as I know, only the politicians who live in Putrajaya and come for their Parliament meetings in Kuala Lumpur (approximately 60+ km) are the ones to gain as they claim their fuel and toll charges from the money of the RAKYAT'S TAX.

It is so disappointing to see this happen time and time again to the Malaysian public, where they are deceived by the propaganda held by the politicians and the controls they have over the press.

Which stupid idiot economist equates rebates for rich or poor with the cc of the vehicles? An average office clerk may own a second hand 1300cc proton Iswara costing \$7,000 (rebate = \$625) while the Datuk's children can own a fleet of 10 new cars of BMW, Audi and Volvo all less than 2000cc costing \$2 millions and get a total rebate of $\$625 \times 10 = \$6,250!$ Wow what kind of economists we are keeping in Malaysia! wonder which PhD certificate that they bought from!

Misleading concept of Subsidy:

The word "subsidy" has been brandished by the BN government as if it has so generously helped the rakyat and in doing so incurred losses. This simple example will help to explain the fallacy:

Example:

Ahmad is a fisherman. He sells a fish to you at \$10 which is below the market value of \$15. Let's assume that he caught the fish from the abundance of the sea at little or no cost. Ahmad claims that since the market value of the fish is \$15 and he sold you the fish for \$10, he had subsidised you \$5 and therefore made a loss of \$5.

Question : Did Ahmad actually make a profit of \$10 or loss of \$5 which he claimed is the subsidy?

Answer:

Ahmad makes a profit of \$10 which is the difference of the selling price (\$10) minus the cost price (\$0 since the fish was caught from the abundance of the sea). There is no subsidy as claimed by Ahmad.

The BN government claims that it is a subsidy because the oil is kept and treated as somebody else's property (you know who). By right, the oil belongs to all citizens of the country and the government is a trustee for the citizens. So as in the above simple example, the BN government cannot claim that it has subsidised the citizen!

Please answer my question?

2. [Yek Qui](#)

June 24, 2008 at 4:46 am | [Permalink](#)

why is this Petronas Advisor post so important to all the ex-Prime minister ?
Are there any monetary benefit from this post ?

Source: <http://chedet.cc/blog/?p=36>