

DIESEL: DUAL PRICE STAYS

Dr Mahathir says no to oil companies

By JEFFREY RAMAYAH

DATUK Seri (Dr) Mahathir has put the on-going diesel debate to rest. There is to be no uniform pricing, at least not immediately, as the average household user would almost certainly have to pay more.

Oil companies had been asking for a single price as they are convinced this would put an end to endemic shortages.

Datuk Seri Dr Mahathir, who is also Trade Minister, said the Government felt that there would be "disruptions" if it decided to go one-way.

The price of domestic diesel will then have to go up as the prospect of industrial diesel coming down is almost nil.

"Thus we cannot allow the consumers, especially those whose livelihood depends on the commodity, to pay an increase just to accommodate the single price system."

Diesel is being sold at a subsidised price of about \$1.19

per gallon (depending on locale) at service stations and industrial users, including lorry and bus operators, are paying between \$1.30 to \$1.35.

The Deputy Prime Minister said it was obvious that if a uniform price system was allowed, domestic consumers would have to pay the same price as that of industrial users — that is, more instead of less.

"If we want to allow single pricing we will have to subsidise further but then again several problems are bound to arise.

Consequences

"The main problem will be who or which sector or sectors of diesel users should benefit from the subsidised rate.

"If we cannot be sure of the people benefitting, then there is bound to be exploitation."

He said the Government had mulled over the matter but decided not to allow it for the time being owing to the possible implications.

"There will not be a one-tier system until we can come out with a solution whereby there will be no exploitation and the consumers will not suffer.

"We must first be convinced that there will not be any drastic consequences, should the Government further subsidise the price for domestic users."