

Dr M: If shortage continues <sup>20</sup>

# We'll refine our own oil

By ZAINON AHMAD  
and AMIN OMAR

would move very carefully, step-by-step, in expanding its downstream activities.

KUALA LUMPUR, Tues. — Malaysian crude petroleum will be refined for home consumption soon if the present fuel shortage continues, Deputy Prime Minister Datuk Seri Dr Mahathir Mohamad told the Dewan Negara today.

He said Petronas would be asked to refine only the amount required to meet the shortage. The remaining crude would still be exported.

Replying to Senator Datuk Haji Ahmad Arshad, he said it would be uneconomical to refine Malaysia's entire output of crude for home consumption as less by-products would be derived.

"By selling our lighter crude at high prices, we will be able to buy the heavier Arabian crude from which we can get petrol, diesel, kerosene and fuel oil," Datuk Seri Dr Mahathir added.

"But if the present world shortage of two million barrels a day continues, Petronas will refine our own crude at refineries in Malaysia and Singapore."

every State, it did not have enough road tankers at the moment to supply the entire country.

This programme would, therefore, have to be carried out gradually.

Malaysia also planned to set up a Government refinery in the near future, he said in reply to another question by the Senator.

The Deputy Prime Minister added that more Petronas stations would be set up in other States in Malaysia to sell diesel and kerosene.

One kiosk would be set up in Johore Baru in a week's time and this would be followed by three stations in Malacca.

In view of the diesel and kerosene shortage in the East Coast, Petronas kiosks would also be set up in Trengganu and Kelantan.

This would be followed by stations in Perak.

## One aim

The choice of these States, said the Deputy Prime Minister, did not necessarily depend on the degree of shortage existing there.

Logistics was the main consideration, he added.

Datuk Seri Dr Mahathir said even though Petronas had plans to set up stations in

He said one of Petronas' objectives was to participate in the retail trading of petroleum products in Malaysia.

But before the necessary infrastructure — such as the setting up of proper petrol kiosks — could be provided, the oil crisis hit the world.

As a result, Petronas was involved in the retail trading of diesel and kerosene before it was fully prepared.

Datuk Seri Dr Mahathir added that with the entry of Petronas into the petroleum retail trade, bumiputras interested in participating, would be given the opportunity to do so.

● BERNAMA reports: The Petronas plan to expand its downstream activities which include the setting up of petrol kiosks will be carried out "very carefully" and in an "orderly" manner.

Petronas chairman Tan Sri Abdullah Salleh, speaking to reporters after opening the first meeting of the shareholder entities for the Asean urea project in Malaysia, said Petronas