

PM: All aspects will be looked into

Effects of oil price hike under 'study

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Public urged to buy only what is needed

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The Prime Minister said the public also has a duty to prevent unwarranted price increases. He said the public needed to be informed and educated on "inflation psychology".

In this regard, the Prime Minister said consumers should only buy what they needed and not help create additional inflationary pressures.

Dr Mahathir also responded to newsmen's question on Malaysia's oil production. He was asked whether Malaysia would increase its daily oil production to help meet the worldwide shortage of crude.

He said Malaysia was willing to consider requests from genuine purchasers.

Two such requests — from the Philippines and India — had already been agreed to.

The Prime Minister said Malaysia had the ability to sell its crude direct to the buyers. Malaysia's oil production is now 605,000 barrels per day (bpd).

Even after meeting the requirements of the Philippines and India, Malaysia could still produce without touching its ceiling.

ence here at the end of his one-day visit to Perak.

He was accompanied by his wife Datin Seri Dr Siti Hasmah Mohamad Ali, several Cabinet Ministers, Perak Menteri Besar Tan Sri Haji Ramli Ngah Talib and other State dignitaries.

Dr Mahathir said the study would cover all aspects of the oil price rise and its spiral effect on all items in the country.

For instance, if the price of oil rises by 50 per cent, the price of consumer items would not in-

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crease by the same margin, he said.

He said there are other inputs which govern production costs, and that the price of oil was just one element.

Other factors such as wages, other overhead charges and management fees must also be taken into consideration, Dr Mahathir said.

He said there might be businessmen wanting to raise the prices of their products by citing increased transport costs as the main reason. The Government would not agree to this, he said.

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By Ahmad A. Talib

LUMUT, Mon. — The Government has begun a comprehensive study into the effects of rising oil prices on consumer items, Prime Minister Datuk Seri Dr Mahathir Mahamad said today. - -

He said the study was being conducted by officials of the Trade and Industry Ministry, Finance Ministry and Bank Negara. It should be completed in about a week, he added.

"Soon after the Gulf crisis erupted, the Government decided to conduct the in-depth study. We will be looking into all items that are imported, including luxury items.

"The study will also cover the eight controlled items (such as rice)."

The findings of the study will be made public, possibly through the mass media.

He hoped that unscrupulous businessmen would not use the rising oil prices as an excuse to also increase the retail prices of their goods and services.

The Prime Minister said this at a Press confer-