

# Plan to study effects of oil price gets good response

KUALA LUMPUR, Tues. — Organisations and individuals today welcomed the Government's plan to study the effects of an increase in oil prices caused by the Gulf crisis and hoped the Government's steps would lessen the burden on consumers.

They hoped that any increase in prices would be deferred as long as possible to minimise hardship to consumers.

They were commenting on the statement by Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday that the Government is studying the effects on goods and services caused by oil price increase brought about by the Gulf crisis.

Dr Mahathir said the study to be completed in about a week will be made public.

The study which began three weeks ago at the start of the Gulf crisis is being carried out by the Treasury, Bank Negara and the

Trade and Industry Ministry.

Reacting to the announcement, MP for Bukit Bintang Mr Lee Lam Thye described the study as timely and added that it would give the Government a guide to possible action that can be taken to avoid a broad-based increase in prices of consumer items.

He said that the Government should be aware that any increase in price would affect the Malaysian economy and lead to inflation.

"While the Government is carrying out its study, the Trade and Industry Ministry should also act firmly against irresponsible manufacturers and traders who may hike up prices of goods.

"There is a tendency for traders to increase prices for more profits. If this is not checked quickly it is the public who will suffer.

"I hope the Trade and Industry Ministry will moni-

tor prices of goods and products and take stern action against those who increase prices without justification," he said.

The president of the Pan Malaysian Lorry Operators Association Puan Zainab Yang in welcoming the study hoped that the Government would take steps to ensure that end users are not burdened by price increases.

"The lorry operators play an important role in the industrialisation programme of the Government and any increase in fuel prices would have far reaching effect on the transport industry.

"Since diesel is the major fuel used in the transport industry, the Government should take steps to ensure there is no increase in diesel prices," she said.

A spokesman for the Selangor Consumers Association said petroleum companies which have been reaping profits from consumers should absorb any

increase in petrol prices until the Gulf conflict is resolved.

He said since there were strong indications of an amicable settlement in the Middle-East, oil companies should retain existing price structure of petrol, diesel and kerosene.

"Any increase in price of petrol and petroleum products will have a snowballing effect on other products and this should be avoided," he said.

The deputy president of the Selangor and Federal Territory lorry owners association Mr Liew Fatt thanked the Government for its foresight in initiating the study before considering any increase in petroleum price.

He said the study would reveal the widespread effect such increase would have on consumer items and would allow the Government to take appropriate steps to control a price hike.