

PM: Two countries
have asked for help

Malaysia to pump more oil

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By K.P. Waran

KUALA LUMPUR, Wed. — Malaysia will further increase its crude oil production following requests from two more developing countries, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the volume of increase would be determined after the requests have been fully studied.

Pakistan and Bangladesh had asked Malaysia to supply them with petroleum following the reduction of supply from the Middle East after

□ 63pc INCREASE IN TOURIST ARRIVALS: P2

Iraq invaded Kuwait on Aug 2.

"The increase in production will depend on the demand. We do not want the price of petroleum to go up too much as it will affect the economies of many countries, including developing nations which do not produce oil.

"We do not want a recession there. Malaysia will work closely with other countries to help reduce inflationary trends," Dr Mahathir told reporters after opening the Malaysia Tourist Information Complex (Matic) here.

Minister in the Prime Minister's Department Datuk Dr Sulaiman Daud, who also attended the function, said that he had directed Petronas to increase production as soon as the quantum of increase was ascertained.

He said both countries had asked for several million tonnes of crude oil to be supplied for a one-year period from November.

"We discussed the issue at the Cabinet meeting today and decided that it would be appropriate to increase production to help these countries," he said.

The proposed increase in oil production followed a similar increase announced by Dr Mahathir on Aug 15 when Petronas was directed to increase its daily output by 10,000 barrels to meet similar requests from the Philippines and India.

With that increase, Malaysia currently produces 605,000 barrels of crude daily. It has a maximum capacity of 650,000 barrels per day.

On the comprehensive study carried out by the Government to ascertain the effects of rising oil prices on consumer items, Dr Mahathir said the study has not been completed yet.

The study, being conducted by officials of the Trade and Industry Ministry, Finance Ministry and Bank Negara is expected to be completed in a week.

"I have asked them to give me proper figures. The figures are not static. They fluctuate. There is a need to fine-tune the study and I hope to make an announcement next week," he said.

When asked whether the Umno supreme council meeting this Saturday would discuss the forthcoming general election, he said: "Yes, among other things".

He added that Barisan Nasional has not decided on the list of candidates for the election yet.