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MAHATHIR-FUEL
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KUALA LUMPUR, SEPT 23 (BERNAMA) -- THE LOW PRICE OF FUEL IN MALAYSIA HAS RESULTED IN HEAVY SMUGGLING OF THE COMMODITY OUT OF THE COUNTRY, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE SMUGGLING OF THE FUEL ENABLED FOREIGNERS TO BENEFIT INDIRECTLY FROM THE SUBSIDY THE GOVERNMENT HAD PUMPED IN TO KEEP THE INCREASE IN FUEL PRICES TO THE MINIMUM, HE TOLD REPORTERS AT THE HOME MINISTRY CLUB/PUSPANITA FAMILY DAY AT THE TAMAN TASIK PERDANA HERE.

HE ALSO SAID THAT THERE HAD BEEN A SUGGESTION FROM THE DAP THAT THE PRICE OF FUEL NOT BE INCREASED AT ALL.

DATUK SERI DR MAHATHIR SAID THE FUEL PRICE IN THE COUNTRY HAD SO FAR BEEN INCREASED BY ONLY SIX SEN WHEN IT HAD GONE UP BY UP TO 100 PER CENT IN SEVERAL COUNTRIES, INCLUDING SINGAPORE.

PREMIUM PETROL COSTS M\$1.08 A LITRE IN MALAYSIA WHILE THE PRICE IN SINGAPORE IS M\$2.12. -- MORE
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THE PRIME MINISTER SAID THE PRICES OF GOODS CANNOT BE RAISED INDISCRIMINATELY BY ATTRIBUTING THEM TO THE INCREASE IN FUEL PRICES.

THE FUEL FACTOR DOES NOT DETERMINE THE COST OF PRODUCTION AND TRANSPORTATION OF GOODS 100 PER CENT, HE SAID, ADDING THAT IT MIGHT BE ONLY 10 PER CENT.

+IF IT WAS 10 PER CENT AND THE PRICE OF FUEL ROSE BY SIX SEN, THE INCREASE IN THE PRICES OF GOODS WOULD ONLY BE 0.6 SEN AND THEREFORE THERE CANNOT BE JUSTIFICATION FOR A PRICE HIKE BASED ON FUEL PRICE INCREASE,+ HE SAID.

HE ALSO SAID THAT THE GOVERNMENT HAD UNDERTAKEN A COMPREHENSIVE STUDY ON THE IMPLICATION OF THE FUEL PRICE HIKE ON THE PRICES OF GOODS IN THE COUNTRY. THE STUDY WAS MADE BY THE MINISTRY OF TRADE AND INDUSTRY, THE MINISTRY OF FINANCE AND BANK NEGARA. -- BERNAMA
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