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Diesel back at old price, so no hikes, say transport operators

KUALA LUMPUR, Fri. - Transport operators, including those running schoolbuses, have assured the public they will not go for a fare hike following the 10 sen drop in the price of diesel.

Federation of Malaysian School Bus Drivers' Association chairman Chee Ah Tey said he had informed all the 10,000 schoolbus operators in Peninsular Malaysia - a combined fleet of 12,453 buses - of the diesel price hike being revoked.

"This is indeed good news for us."

He said it was only on Sept 15 that the bus operators imposed their new bus fares and when the diesel price hike was announced, many felt upset and worried.

Chee said they had already assured the Government they would not seek a further hike for the next four to five years.

Pan Malaysia Bus Operators' Association deputy secretary Teoh Ewe Mun said they welcomed the move by the Government.

This means that the diesel price of 81 sen per litre has been reduced to 71 sen per litre.

A Federation of Taxi Drivers and Owners Association spokesman said they were relieved that the Government took into consideration the views and complaints of transport associations.

A Pan-Malaysia Lorry Owners Association spokesman said they were happy with the announcement and gave an assurance that the lorry operators would not increase their rates.

The Finance Ministry, in a statement yesterday, said the decision to revoke the price increase was made as the Government viewed with concern the complaints by public transport operators and fishermen on its effect on their operations in the prevailing economic situation.

The price increase was announced during the tabling of Budget 2002 in Parliament on Oct 19 by Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also Finance Minister.

Following the reduction, the Government's subsidy for a litre of diesel will increase by 10 sen - from 12.76 sen per litre to 22.76 sen per litre. As such, the total subsidy to be borne by the Government is estimated at RM1 billion.

Meanwhile Domestic Trade and Consumer Affairs Ministry enforcement director-general Abdullah Nawawi Mohamad said traders should no longer make use of the diesel price hike to increase the prices of goods.

"We are closely monitoring the prices of goods in markets, supermarkets and shopping complexes. We are happy that traders and businessmen are complying with our directive," he said.

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