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Further study on request to raise petrol dealers' commission

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THE Cabinet has requested that the Domestic Trade and Consumer Affairs Ministry carry out further study on the implications of increasing petrol dealers' commission rate.

A source said the Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin had informed the Cabinet last Wednesday about the dealers' request for a 4-sen increase in their commission rate.

The Cabinet had decided that the matter needed further evaluation and had asked the ministry to carry out another study on the issue as it involves the public.

"The 4-sen commission increase is a secondary issue discussed at the Cabinet meeting. The main concern now is on the 10-sen increase in diesel and petrol prices," the source told Business Times in Kuala Lumpur yesterday.

The source said that Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the Finance Minister, had asked the Domestic Trade and Consumer Affairs Ministry to make a further study of the petrol dealers' demands.

The Petrol Dealers Association of Malaysia (PDAM) said last week that it may resort to closing their respective kiosks indefinitely until the Government agrees to their demand for a higher commission rate at 10.18 sen a litre.

At present, the rate stands at 6.18 sen per litre of petrol sold.

The association claimed that the increase in diesel and petrol prices by 10 sen a litre had reduced members' profit margin by a significant amount, making it necessary to increase the commission rate by 4 sen a litre.

The association claimed that it had received the ministry's assurance on the new rate after a meeting with Muhyiddin in Genting, Pahang, last month.

The source also said that the Government is currently reviewing the 10 sen a litre increase in diesel and petrol prices, as under the Budget 2002 tabled in Parliament last month.

Diesel prices will be reduced for public transportation, government vehicles and the fisheries industry to prevent these sectors raising their service prices and financially burdening the public.

Under the Budget 2002 announced on October 19, the Government cut fuel subsidies, raising the diesel by 10 sen a litre to 80 sen a litre. Diesel will be reduced to 70 sen a litre for these groups.

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