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Senate-Mahathir (Diesel)

GOVT BEARS RM1.1 BILLION IN DIESEL SUBSIDY EACH YEAR, SAYS PM

KUALA LUMPUR, Dec 6 (Bernama) -- The government has to fork out RM1.1 billion in diesel subsidy yearly, which is now RM471 million more than previously following its decision to revert to the pre-2002 Budget diesel retail price, the Prime Minister Datuk Seri Dr Mahathir Mohamad told the Senate.

"Being very sensitive to appeals from the various quarters, especially fishermen and public transport operators, the government has reconsidered and decided to let diesel price remain at the original price.

"This is also taking into account currently cheaper diesel in the international market," he said when tabling the Supply Bill 2002 at the Dewan Negara here today.

When he first tabled the Bill in the Dewan Rakyat on Oct 19, Dr Mahathir, who is also the Finance Minister, announced a 10 sen per litre hike in diesel and petrol prices to lessen the subsidy burden.

Dr Mahathir told the Senate today that the increase in petrol price was justifiable as the government had been sacrificing so much of its revenue to support fuel subsidies.

The prime minister said petrol cost accounted for only 0.4 per cent of household expenditure and that the recent 8.3 per cent increase in petrol price was not burdensome to the people.

"As such the government hopes that certain sectors will stop capitalising on the petrol price hike to jack up prices of goods and services," he said.

The government had also set aside RM5.7 billion for construction of roads, bridges, railways, ports and airports in support of the transportation sector, he said.

He said that given their strategic locations and proximity to Singapore, the Johor Port and the Senai airport should be promoted as cargo hubs for local and international integrated express operators.

Such a move would be a boon for fast development of a more efficient and effective integrated system linking land, air and sea transportation for the southern peninsular region, he added.

-- BERNAMA

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