

Minimal increase in petrol price, says PM

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By SA'ODAH ELIAS

KUALA LUMPUR: The proposed petrol price increase will be minimal as the Government only wants to offset some of the increasing petrol subsidy, which currently stands at RM6bil annually.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the proposed increase would not burden the people although there was a possibility that some industries would try to take advantage to also increase the prices of their products or services.

"We are not planning to do away with the petrol subsidy. It is just that our petrol consumption has increased drastically from 300,000 barrels per day previously to 550,000 barrels now.

"We produce 650,000 barrels of petrol per day and that means instead of selling 350,000 barrels and using the

returns to subsidise the 300,000 barrels we use every day, we now only have 100,000 barrels to sell. So, the profit is lower.

"In the end, the money we use to subsidise the petrol price has to be sourced elsewhere," he said after launching the 'Family First - Bring Your Heart Home' programme at the Women and Family Development Ministry yesterday.

On Tuesday, Domestic Trade and Consumer Affairs Minister Tan Sri Muhviddin Yassin announced that his ministry and the Finance Ministry were in the final stage of discussions over a proposal to gradually increase petrol price to ease the government subsidy.

Dr Mahathir, who is also Finance Minister, said the Government was still looking at the proposal and its implications and has yet to decide

when the price increase would be implemented.

He said the problem was that when the Government increased the price of petrol, other industries whose operations or productions include petrol components, would also want to increase their prices.

"The problem is if the price of petrol increases by 1%, then other industries also want to increase their prices although petrol components in their products or services make up only 10% at the most.

"By right, if they want to increase their prices, then it should not be more than 0.1%, but that is not the case. They always want to use the increase in petrol price as an excuse to increase their prices," he added.

Asked about the United States' proposal for Malaysia to set up a regional centre for activities to fight against global terrorism, Dr Mahathir

said: "We will have to study what is their proposal."

The matter was raised by the US Secretary of State Collin Powell, who had a brief meeting with Dr Mahathir and Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi on Tuesday.

Dr Mahathir said Malaysia had repeatedly stated its commitment in fighting against terrorism and would never back away from its words.

He also expressed disappointment over the lack of consensus over the proposal by Malaysia to set up the Asean + 3 secretariat at the just concluded Asean Ministerial Meeting in Brunei.

When pointed out that the proposal had been reduced to a suggestion for the setting up of a unit to handle Asean + 3 matters within the Asean secretariat in Jakarta, Dr Mahathir said: "Asean is Asean, Asean + 3 is different."