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MAHATHIR-DIESEL

DIESEL SMUGGLING FROM M'SIA WILL STOP IF PRICE IS HIGHER, SAYS MAHATHIR

By: Tengku Noor Shamsiah

KUALA LUMPUR, May 5 (Bernama) -- The smuggling of diesel out of Malaysia will stop if the price is comparable with the prices in neighbouring countries, former Prime Minister Tun Dr Mahathir Mohamad said today.

"If you want to stop smuggling, you have to price the petrol at a price that is comparable with your neighbours.

"I think we all know that the price of oil has doubled from US\$28 per barrel to US\$55 per barrel... obviously it would have some effect on the products' price," he said in defence of the government's decision to increase diesel and petrol price.

The government yesterday announced an increase in petrol and diesel prices in view of the heavy financial burden it has to carry with the high subsidising of fuel following an increase in the price of crude oil.

Mahathir said: "If you go to England, you will find that the price of petrol the equivalent of RM7 (per litre). So the price here is even lower than the price in Indonesia."

Following the announcement yesterday, premium petrol in Malaysia is now sold at RM1.52 per litre while regular petrol RM1.48.

He alluded the rampant smuggling activities in Malaysia to higher prices elsewhere including neighbouring countries and as well as in the US, England and Japan.

He said this to reporters after the launch of a coffee table book "Into The Ice," written by Datin Paduka Sharifah Mazlina Syed Abdul Kadir, at a high tea function organised by PENIAGAWATI or Association of Bumiputra Women in Business and Profession, here today.

Sharifah Mazlina, who heads PENIAGAWATI's Sports and Recreation Bureau became the first Asian Woman to cross the Antartica on a solo ski-sailing expedition in December 2004.

On the shortage of diesel meanwhile, Dr Mahathir said it was because subsidised diesel meant for public consumption was being sold to the industries at a high profit by petrol station operators.

"People are taking the petrol which is meant for the motorcar owners to sell to the industry," he said.

He suggested that the government should check the industries whether they are buying the same amount of petrol diesel from the usual source or not. -- BERNAMA

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