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Dr M: Oil prices may hit RM190 per barrel if America attacks Iraq

KUALA LUMPUR, Thurs. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today he believed that oil prices could increase to about US\$50 (RM190) per barrel if the United States launched an attack on Iraq.

However, he said, Malaysia as an oil producing country would gain by about US\$54 million if the price of crude oil increased by just US\$1.

"If the United States were to attack and defeat Iraq, there is a strong likelihood that they (Iraq) will set fire to all their oil fields like what happened in Kuwait during the 1991 Gulf War when retreating Iraqi troops set dozens of oil rigs on fire as they fled.

"I believe there would be no oil shortage in Malaysia," he said in response to a question on oil prices if the United States attacked Iraq.

Speaking after chairing the Umno supreme council meeting here, he said other countries like Japan, though rich, would be adversely affected as it was a big importer of crude oil and would have to depend more on other oil-producing countries.

He said the rise in the price of oil by just US\$1 would cause Japan to lose about US\$3 billion.

Crude petroleum is Malaysia's third largest export commodity, after electrical and electronics components and palm oil.

"It is unfortunate that the lesser rich countries would be badly hit as not only are they not rich, they also do not have oil.

"So, we in Malaysia should be very grateful because at least we have some oil," he said.

On the Non-Aligned Movement Summit, Dr Mahathir said Malaysia would state its stand that it was against war and killing as a means to resolve conflicts between countries.

He said Malaysia disagreed that any country could take pre-emptive action against another.

He was also asked about a report today that Palestinian Ambassador to Malaysia Ahmad Al-Farra had requested that Malaysia talk to the United States to enable President Yasser Arafat to attend the NAM Summit.

Dr Mahathir said while Malaysia could offer help, the Government feared that he might not be able to return home.

He said Malaysia was aware of Israel's intentions to banish Arafat from his country.

On whether the worldwide demonstrations would help deter an attack on Iraq, he said the United States could claim that these people did not reflect the majority opinion of the people.

"When we had small demonstrations of between 200 and 300 people in Malaysia, the United States suggested that the Barisan Nasional Government should resign as the people did not like us.

"However, now that millions of people are demonstrating worldwide, they no longer talk the same way," he added.

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