

Gov't needs alternative measures if no petrol hike: PM

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The government must consider alternative measures if petrol prices are not raised, said Prime Minister Najib Razak at a press conference in Tokyo today.

"The government has agreed not to raise petrol prices for now as it was more concerned for the people's plight although the burden on the government was huge amounting to billions of ringgit as subsidies would spiral further."

He said the government had no choice but to shoulder direct subsidies of RM20 billion this year although the government had only budgeted RM11 billion.

From the macro financial management aspect, such a huge subsidy was not in conformance with principals of good governance as the subsidy was massive from the consumption aspect," he said.

Given that the government is concerned over the burden such price increases would have on the rakyat,"we have to look at creative ways of managing the increase in subsidy that is required."

Najib also dismissed suggestions that the decision not to review subsidies or raise fuel prices was made in view of the impending elections, saying that "people could always connect these two and that this was a normal game in Malaysia anyway and it doesn't surprise me."

"What is important is that we are always concerned about the plight of the rakyat and that is uppermost in our minds," he said.

Najib hoped the people would be grateful and appreciate the government's decision in alleviating their plight.

To a question as to when the government will make an announcement to review fuel subsidies, he said: "This depended on the government's consideration and capacity and international crude oil prices.

Japanese firms to invest RM3.8 bil

Meanwhile, Najib announced that Japanese firms have confirmed that they will invest RM3.8 billion in Malaysia between this year and 2012 in various sectors.

Over the long-term, between 2013 and 2015, they will invest to the tune of RM5.22 billion in projects related to electrical and electronics, metallic, biomass and substrates which are used to make hard-disk drives, he said when capping his two-day visit to Japan.

The long-term investments include Tokuyama Corporation of Japan's project in Bintulu, Sarawak, which manufactures polysilicon, a material used to make solar cells and electronics.

The plant's first phase, comprising investments of RM3.7 billion, will be completed in 2013.

Najib, who is also finance minister, also held a bilateral meeting today with Japan's Foreign Minister Takeaki Matsumoto as well as productive discussions with captains of industry from the Japan-Malaysia Economic Association (Jameca).

In the morning, the prime minister delivered a keynote address at the 17th Nikkei International Conference.

He said that Matsumoto had urged Malaysia to consider Japanese companies for investment in

infrastructure projects including the Mass Rapid Transit system and other opportunities arising from the Economic Transformation Programme.

The foreign minister had also expressed Tokyo's appreciation for Malaysia's move yesterday to cancel the travel advisory issued following the nuclear tragedy after the March 11 earthquake and tsunami.

Malaysia was then concerned over radioactive contamination of Japanese food imports.

Henceforth, to facilitate imports from Japan, especially food products, Najib said his government decided that a certificate of origin would suffice which means there was no need to check every cargo imported into Malaysia.

Japan to set up engineering school

Matsumoto had also expressed Tokyo's support for the Malaysia-Japan International Institute of Technology which would be operational in September and confirmed that a special loan would be given by the Japanese government to ensure the project's success.

Najib said initially, six lecturers would start giving lessons on Japanese-style engineering technology with the number to be increased to 40 eventually.

He also said Malaysia could act as intermediary for Japanese companies to invest in the Middle East from where they source their financial requirements.

That aside, Islamic financing could also be a diversified source of funding for non-Muslim countries such as Japan which can raise funds for their rebuilding and reconstruction efforts after the devastation in March.

Najib, accompanied by his wife Rosmah Mansor, is scheduled to depart Tokyo for Kuala Lumpur this afternoon.

- Bernama