

Putrajaya to seek ways to keep fuel price steady

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Malaysia will look for avenues to keep fuel prices at current levels for as long as possible to avoid burdening consumers, Prime Minister Najib Abdul Razak was quoted as saying by New Straits Times newspaper on Friday.

The government held off on a fuel subsidy review on Wednesday, saying it was maintaining prices for now due to the people's needs.

"From a macroeconomic point of view, the large amount of subsidy does not indicate good governance, but we are well aware of the people's plight," Najib was quoted as saying during a visit to Tokyo.

He said government finances and the price of crude oil in the international market would determine how long the authorities can keep subsidies at the present level.

The government expects subsidies on staples such as flour, sugar and the basic grade of fuel to double to almost RM\$6.9 billion this year due to high energy prices.

Some economists have warned that Malaysia could miss its target of cutting its fiscal deficit to 5.4 percent this year if it did not raise fuel prices.

- Reuters

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