

Stop protecting oil firm profits, Rafizi tells KJ

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PKR vice-president Rafizi Ramli today flayed Youth and Sports Minister Khairy Jamaluddin's defence of the government's new float mechanism for fuel prices, pointing out that while the prices are left on float, the profits for oil companies are still guaranteed.

Khairy yesterday had posted an elaborate explanation on how oil prices would be decided under the new managed float system, but Rafizi used Khairy's own arguments to point out how much oil companies profits are being guaranteed by the government.

"At the very least, the government guarantees profit of about 30 sen per litre for all these companies. We accept that you want to remove subsidies and let us pay according to market prices, but why keep protecting profits for oil companies?" Rafizi asked during a press conference at the Parliament lobby today.

"I want to ask him, does his defence of the system mean that he gives more priority to big corporations compared to the difficulty faced by the people?" he asked.

"All costs for the oil companies - from refinery to transportation costs, is guaranteed and paid back to the oil companies. More than that, the government also guarantees profits from companies and oil station operators," he said.

He said that with the subsidy removal, the people are not only bearing the cost of price increases, but also the profits for oil companies.

"Subsidy is a social and moral obligation that the federal government must fulfill as the existing system shifts the wealth to the corporations," he said.

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