

Najib calls for measures to halt oil price fixing
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Prime Minister Najib Abdul Razak today called for a mechanism to prevent oil price manipulation, saying high prices could derail the global economic recovery.

"In this respect, proposals for greater oversight of financial markets aimed at preventing price manipulation should be welcomed if they lead to a more efficient and robust price formation," he told an industry gathering in Kuala Lumpur.

Oil prices edged to around 80 dollars a barrel last October but have fallen recently, sinking below 70 dollars in Asian trade Monday as a weak US jobs report continued to hurt investor sentiment.

New York's main futures contract, light sweet crude for delivery in July, fell 1.82 dollars to 69.69 dollars a barrel in morning trade.

Najib did not to speculate at what range oil prices should be in his speech in Kuala Lumpur.

"We should not let this fixation on what is an 'appropriate' price level detract us from the more important task of ensuring that oil prices do not diverge from their underlying market and economic realities," he said.

Najib said prices will come under "renewed pressure" as the global recovery gains momentum amid ample supply of oil currently.

"Even moderate growth rates in demand, sustained for a period of several years, will erode any excess capacity down to levels that should give us cause for concern," he said.

Malaysia's cash-rich energy giant Petronas - the country's only Fortune 500 company - contributes to almost half of the country's budget revenues.

- AFP