

**Price hike: Cabinet to monitor public reaction**  
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The cabinet will closely monitor public and market reaction towards the government's move to cut subsidies for petroleum, diesel and sugar as announced yesterday, said Transport Minister Kong Cho Ha.

"At this point, on the overall, the public can accept the subsidy rationalisation programme," he told reporters before leaving onboard Malaysia Airlines's maiden flight to Bandung in Sepang today.

Bandung is Malaysia Airlines' sixth destination in Indonesia.

Kong, however, said he was confident the increase in fuel and sugar prices would not burden the public but reminded traders not to take advantage of the opportunity to increase prices of other goods and services.

"Reducing subsidies will not only reduce government expenditure but also counter smuggling of these items.

"Although the price of sugar has increased here, in Thailand it fetches RM2.60 a kilo while in Malaysia sugar is retailing for RM1.90 and there is still a wide gap.

"In Singapore, sugar is sold at RM3.70... there is still a big difference in the price of sugar sold in both countries," he added.

While optimistic that the public would view the rationalisation programme positively, Kong said the reduction in subsidies was part of the country's treasury financial management.

On another matter, Kong said the Transport Ministry would give fair consideration to AirAsia's request to fly to Sydney, Australia.

AirAsia is reported to have failed in its first attempt in June to sought the approval from the ministry.

- Bernama

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