

**Chief minister: Fuel hike 'socially unjust'**  
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The government's move to  
MCPX

increase oil prices from RM1.92 to RM2.70 per litre is "economically insufficient and socially unjust," said Penang Chief Minister Lim Guan Eng today.

lim guan engIn a statement, he said the increase does not deal with the basic problems of increasing productivity and energy conservation.

"It also does not deal with ensuring that fuel subsidies fulfill the intended objectives of the poor instead of benefitting the rich," he added.

petrol price hike new price 040608The chief minister, who is currently on an official trip to Korea, expressed concern with the move and urged Prime Minister Abdullah Ahmad Badawi to ask himself if the sharp spike in fuel prices would help reduce the financial burden of the poor.

On the contrary, he said the increase would punish the poor if "rich companies continue to enjoy fuel subsidies especially the independent power producers."

The price hike took effect from today.

**Koh's three measures**

Meanwhile former Penang chief minister Dr Koh Tsu Koon suggested three measures to cushion the impact of fuel prices on the common people by improving and reducing the cost of public transportation.

Firstly he suggested that the government abolished road tax and issued more licences for taxis, school buses and factory buses.

koh tsu koon 100907"Second, increase the number of buses for Rapid Penang, Rapid KL and provide soft loans to private bus companies for the purchase of more buses," he said in a statement today.

He said that through these two measures, it would be possible to increase supply, cushion cost and encourage a switch to public transportation.

Finally, he said, the government should encourage people to convert to use gas for their vehicles, instead of petrol or diesel.

Koh said that as an incentive, the road tax for private vehicle owners who choose to convert to compressed natural gas (CNG) or liquified petroleum gas (LPG) should be given road tax reduction for three years.

He also said that for this to take effect, the government must ensure that the supply of CNG and LPG in all petrol stations in increased and break the monopoly by Petronas.

"Similarly, all taxis and buses should be given grants and zero-interest loans to convert to CNG and LPG," he said, adding that these measures must be implemented immediately and efficiently.

### **Keep the promise**

In a related development, the Federation of Malaysian Consumers Association (Fomca) has urged the government to mend fences with the public following the sharp spike in oil prices.

In a statement, Fomca secretary-general Muhammad Sha'ani Abdullah pointed out that the government should keep its promise to alleviate the financial burden faced by the public especially the low and middle-income earners.

On the rise in electricity tariffs which will take effect from July 1, he said this should be streamlined with telecommunications, water, road tax, public transportation, health, education and housing costs "so that it will benefit the low and middle-income earners".

Fomca also called on government-linked companies (GLCs) to review the rates for low-income consumers.

"They should be charged a low rate and the ones with higher income should be charged a bit extra," he said, adding that the rate should be based on per-second usage while monthly rental should be scrapped.

The 20 percent electricity tariff rise will affect about 41 percent of the households in the country.

Meanwhile, Fomca also said the government should urge banks to prioritise loan payment or switch it to term-loan especially for credit cards and over-drafts.

The consumer association also wants the Employees Provident Fund (EPF) to provide housing loans with low interest rates or no interest at all for low income earners through the Malaysian Building Society Berhad and Syarikat Perumahan Negara Berhad.