

**Shahrir defends steep fuel price hike**  
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Domestic Trade Minister Shahrir Samad today defended a 41 percent fuel price hike, in the face of public anger and street protests, but said no further increases were likely in the near future.  
MCPX

"I think it is wise, this is the first time we have come to grips with the subsidy system," he said of this week's unpopular decision to cut extensive fuel subsidies.

shahrir samad interview 180405 making a pointShahrir dismissed small rallies organised by the opposition this week, and a large public demonstration being planned for July 12.

"It is only natural that groups will take advantage of this so it is the reality that any democratic government will have to take," he said.

"Situations like this are always available as opportunities for our political enemies."

But International Trade and Industry Minister Muhyiddin Yassin conceded there could be an impact on employment and business and said the situation was being closely monitored.

"We take a very serious view of the situation as the small and medium enterprises constitute 99.2 percent of the total business sector... and 66.7 percent of total employment," he told reporters.

"We have to see whether companies will resort to downsizing their operations, which would see a possible reduction in recruitment of staff. We don't want to have this affect the livelihood of our people."

Muhyiddin announced measures to free up loans for small and medium-sized enterprises and said the cabinet has approved RM800 million in soft loans.

The government will also consider measures to make goods transport more efficient, including having larger trucks on the roads licensed to carry heavier loads, he said.

"We hope the initiatives taken will somewhat mitigate the impact and will help with the increased cost of doing business," he said.

**No more increases in coming weeks**

Outrage over the fuel price hike threatens to compound problems facing Prime Minister Abdullah Ahmad Badawi, who has been fighting to keep his job since an unprecedented setback for the ruling coalition in March general elections.

The government was punished by voters for failing to rein in the rising cost of food and fuel, and it lost a third of parliamentary seats and five states in its worst results in half a century.

Shahrir said he expected that price controls will be completely removed by August. He has previously said that would likely see petrol jump to RM3 to RM4 per litre, from RM2.70

currently.

Before Thursday's price hike, petrol cost RM1.92 ringgit, among the cheapest in Asia. But the minister indicated there would be no more increases in the next few weeks.

"I don't think prices will be reviewed any time soon," he said.

"For now it will remain at the 2.70 level because if we keep changing the price, it would be difficult to administrate the returning of subsidies."

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