

**PM: No more fuel price hikes this year**  
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Prime Minister Abdullah Ahmad Badawi said today there would be no more fuel price hikes for the rest of the year.

MCPX

abdullah ahamad badawi pm anti inflation pc 090608 01Abdullah said that because Malaysians were still coping with the impact of last week's 41 percent fuel price increase, the government would absorb the cost of soaring crude oil costs.

"There will be no more fuel price hikes for this year," he said in a statement.

Only two days ago, Abdullah said that he could not guarantee that petrol prices would not go up further.

"When we did our assessment, the price of petrol was RM3. It is RM3.45 now," he said on Monday.

"When it was RM3, we gave a 30-sen subsidy. But that has been wiped out now with a 45-sen increase. So there are many issues we have to consider.

"As such, I won't give any undertaking not to increase petrol prices."

Malaysia, a net oil exporter, heavily subsidises petrol and diesel but said it was forced to implement the deeply unpopular price hike as the cost of subsidies would have ballooned to RM56 billion dollars this year.

The government last week raised the price of fuel by 41 percent to RM2.70 per litre.

**Civil servants to be paid every 2 weeks**

To ease the impact on motorists, it will give cash rebates of RM625 for owners of small- and medium-sized vehicles, which will cost the government RM5 billion ringgit.

Abdullah said the government would also pay salaries of government workers and officers fortnightly from August.

According to him, this is to help them organise their expenses and cash flow to cope with the fuel price increase.

Second Finance Minister Nor Mohamed Yakcop warned today that if world crude oil prices hit US\$150 in the short-term it could impact on the country's projected 3.1 percent budget deficit.