

**Inflation crisis could spark political unrest: PM
Malaysiakini.com
Jul 8, 2008**

The soaring prices of food and fuel could spark widespread political unrest, Malaysia's Prime Minister Abdullah Ahmad Badawi today said at a summit of developing nations in Kuala Lumpur.
MCPX

Abdullah said the inflation crisis had erupted as a global recession looms, spelling trouble for the group of so-called "D8" nations meeting here, and called on them to boost food production to avert conflict.

The D8 comprises Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey and is meeting as the Group of Eight (G8) industrial powers holds a high profile annual summit in Japan.

abdullah ahmad badawi pm mihas halal convention 080508 01 "The price of oil has skyrocketed to levels never anticipated ... the price of food has increased beyond the normal abilities to pay by the poor, which form the majority of the world's people," he said in an opening speech.

"Our people in the D8 group of countries will be among those feeling the greatest pains arising out of the current international economic downturn," Abdullah said.

"There is also the danger of the food crisis creating political unrest in many societies."

Iranian President Mahmoud Ahmedi-nijad, Indonesian President Susilo Bambang Yudhoyono and Pakistani Prime Minister Yousuf Raza Gilani are attending Tuesday's gathering. The other members are represented by ministers.

Yudhoyono said the challenge of food and energy security required urgent attention amid soaring prices.

"There is no quick-fix that will sweep aside this challenge. But we must act on it at once and in concert. To delay concerted action on this great challenge of our time is to court disaster," he warned.

Yudhoyono said D8 countries should ensure food self-sufficiency to address the problem of food security.

"The rising price of crude oil, the scramble for alternative sources of energy, and the threat of global warming have compounded the food crisis," he said.

Abdullah, the new D8 chairman, said global food prices were estimated to have risen by more than 75 percent since 2000 and urged the grouping to modernise their agriculture sectors.

He also urged major oil producers to adopt Saudi Arabia's move to increase output amid calls for greater production after the cost of crude roughly doubled over the past year.

Warn against turning agriculture into biofuels

But he warned against giving agricultural land over to the production of biofuels, saying that would worsen the global food shortage and drive up prices.

However, he cautioned leaders against converting agricultural land to the production of biofuels, saying it will worsen the global food shortage and drive up prices.

"We must not allow the zeal for energy security to come into direct conflict with the basic need for food production," he said.

Abdullah also recommended the group take "bold measures" to ensure their economic growth remains on track to combat the "looming recession in the global economy."

Malaysia last month slashed its fuel subsidies, sending pump prices up 41 percent in a decision that has sparked public anger and reinforced calls for Abdullah to step down.

Spiking oil and food prices are being increasingly felt around the globe and surging commodity prices could worsen poverty in many poor countries, the International Monetary Fund warned last week.

It said many poor and developing countries would likely have to change their economic policies in response to soaring commodity prices.

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