

**Gov't may cut fuel prices: official  
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The government may reduce fuel prices in the weeks ahead if global oil prices continue to fall, a senior Finance Ministry official said today.

The government hiked petrol prices 41 percent in June to ease the burden of spiralling energy subsidies, but crude oil prices have fallen around US\$20 from record highs above US\$147 per barrel hit earlier in July.

The official said "if oil prices remain between 120 dollars a barrel and 125 dollars a barrel for two weeks," then Prime Minister Abdullah Ahmad Badawi could announce a cut in fuel costs in the weeks ahead.

"The cabinet discussed about the fall in oil prices on Wednesday. There is a possibility of pump prices coming down in Malaysia," the official told AFP on condition of anonymity.

**Oil prices volatile**

Abdullah's decision to hike fuel prices sparked angry street protests and triggered calls for the premier to stand down, compounding his woes after disastrous results in March elections.

Crude prices spiked upwards on Wednesday to US\$126, underscoring the volatility in the global oil market.

Prices are still much higher than in recent history, having traded at less than US\$10 per barrel in the late 1990s.

Malaysia's annual inflation rate soared to a 26-year high of 7.7 percent in June due to the rise in fuel costs, echoing a surge in inflation across Asia that has stoked fears of slower regional economic growth.