

Government slashes petrol price by 15 sen
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The government announces that price of RON97 petrol will go down by 15 sen from RM2.70 to RM2.55 per litre at the pumps beginning midnight, a reduction of 5.6 percent.
MCPX

Meanwhile, the lower grade RON92 petrol will be slashed by 22 sen from RM2.62 to RM2.40 a litre.

abdullah ahmad badawi govt announce new petrol price increase 040608 07For diesel, the price will go down by eight sen, from RM2.58 to RM2.50.

Prime Minister Abdullah Ahmad Badawi made the announcement today - two days after he reiterated that petrol prices would not be cut before Aug 31.

It is believed that the announcement was made ahead the crucial by-election in Permatang Pauh to be held next Tuesday.

"The petrol prices were fixed after taking into account the real price of petrol from Aug 1 to Aug 21, as well as the fixing of 30 sen subsidy for both grades," he said in a statement.

"Apart from this, the cabinet also decided to reduce the price of diesel by eight sen. At RM2.50 per litre, the subsidy borne by the government for diesel will be 50 sen for every litre."

According to Abdullah, the reduction of the fuel prices was made possible due to a significant drop in global oil prices this month.

Help alleviate the burden

The prime minister also lamented that the inflation rate for July 2008 had increased by a whopping 8.5 percent compared to July last year - hitting a new 27-year high.

The drastic rise in inflation was due to the sharp hike in petrol prices in June - a 40 percent jump - as well as an increase in electricity tariff.

"It is the government's hope that the reduction in petrol and diesel prices will help alleviate the burden of consumers and reduce the pressure of inflation, especially for the lower and middle income groups.

"The government's decision was also made based on current economic developments," he added.

On Aug 1, the government announced that the market price of petrol until the end of the year will be streamlined on the 1st of every month, with the subsidy set at 30 sen.

However, Abdullah said, this formula can only be implemented if the market price of petrol goes lower than RM2.70 per litre.

"If the market price is higher than RM2.70 per litre, then the price will remain at RM2.70 per litre," he added.

In an immediate response, PKR de facto leader Anwar Ibrahim who is contesting the Permatang Pauh by-election said the fuel reduction was designed to win votes for the ruling BN coalition.

"The government can reduce it further if it can be more transparent in its financial management, eliminate leakages, wastages and corruption," he said at a press conference while campaigning in the constituency.

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