

PM : fuel price cut nothing to do with by-election
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Prime Minister Abdullah Ahmad Badawi, who a day ago surprised the nation by trimming fuel prices earlier than expected, said the 5.6 percent cut in pump prices was not a populist move aimed at shoring up his flagging popularity, nor was it intended to help his ruling coalition swing votes in the Permatang Pauh by-election.

MCPX

bn mp retreat 190408 abdullah pak lahSpeaking after the launch of National Crime Prevention Month 2008 in Kuala Lumpur this morning, Abdullah said he had to act immediately to head off further price gyrations in the world oil market.

"I was informed in the cabinet meeting yesterday that the market price has gone up," he told a press conference. "If the trend keeps going up, there would be no reduction of the oil price. So might as well I do it (now)

September crude futures had risen for a third straight day, jumping \$5.62 (about RM17), or 4.9%, to \$121.18 a barrel in New York on Thursday, but fell \$6 on Friday to reverse the previous gain caused by concerns about the US agreement with Poland to install a missile-defence system.

Still, Abdullah's move came as a welcome respite for Malaysians, unhappy with the government for jacking up fuel prices by 40.6 percent to RM2.70 from RM1.92 last June.

petrol price hike protest kg baru sogo 130608 23Just two days ago, Abdullah had reiterated he would not cut fuel prices before Aug 31. Like many of its counterparts around the world, the Malaysian government had hiked fuel prices as part of measures to cut the spiraling fuel subsidy that was expected to hit RM56 billion this year. The move was however seen as too drastic by most Malaysians.

Yesterday, Abdullah lowered the price of RON97 petrol by 15 sen to RM2.55 from RM2.70 per litre, a reduction of 5.6 percent. The price of lower grade RON92 petrol was also reduced by 22 sen from to RM2.40 from RM2.62 per litre.

Flip- flop

The prime minister, who has come under fire for indecisiveness and policy flip-flops, said he was not worried his latest change of heart would dent the government's credibility with investors. While the recent fuel price hike was unpopular with citizens, many analysts and economists had earlier praised the government for aligning local prices with the global markets, thereby reducing strain on the country's budget deficit.

"I do not care if people want to call it a flip-flop. If I didn't do anything to reduce it now, the people would be unhappy. So it has nothing to do with seeking popularity. I will never do that," Abdullah said.

Abdullah, who has been reported by local newspapers as saying Malaysians could look forward to more 'goodies' coming from the 2009 budget due to be presented on August 29

also denied the upcoming presentation would feature greater fiscal loosening in order to bolster his ruling coalition's slipping popularity.

"I never care about my popularity. What I do is, if I want to do something for the people, if there's money that can be made, I will do it. That's me," he said.

anwar ibrahim permatang pauh by election ceramah 220808 03Abdullah's Barisan Nasional coalition, which has ruled the nation since independence in 1957, lost its two-thirds parliamentary majority in the March national polls. Opposition leader Anwar Ibrahim, whose Pakatan Rakyat alliance holds 82 out of 222 seats, has threatened to overturn the BN's majority and form a new government by Malaysia Day on Sept 16.

Anwar is now pitted against BN's Arif Shah Omar Shah in the Permatang Pauh by-election, which is due to be balloted on Aug 26. A loss by the BN there would take Anwar back to parliament and a step closer to taking power in the country.

Rebate to go on

Abdullah also said an ongoing rebate scheme aimed at offsetting the June fuel price hike would continue until March next year, after which it might be withdrawn.

"Rebate will go on until next March (but) we will see whether we will continue or not with the rebate after that," he said.

Under the rebate scheme granted by the government, owners of vehicles below 2000cc can claim RM625, while owners of motorcycles with engine capacity of up to 250cc can claim RM150.

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