

No plan to cut fuel price now

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PM: Govt still bearing high subsidy

THE Government has no plan to reduce the price of petrol and diesel in Malaysia now because the global crude oil price is still unstable, said Prime Minister Datuk Seri Abdullah Ahmad Badawi.

Abdullah, who is Finance Minister, said the Government still had to bear a high subsidy for petroleum-based products - which came up to RM7.3bil last year - despite the falling global crude oil price.

The figure was not far from the RM8.15bil subsidy the Government had to fork out in 2005, although crude oil price had fallen in the last quarter of 2006, Abdullah said in a written reply to M. Kulasegaran (DAP - Ipoh Barat).

Similar questions were posed by Datuk Baharum Mohamed (BN - Sekijang) yesterday and Datuk Dr Wan Azmi Wan Ariffin (BN - Sik), whose question was listed for tomorrow.

Abdullah said that while the



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Government was ready to set the price of petroleum products according to the international market price, the move must be done carefully and diligently.

"It cannot be done at our whim and fancy because it will burden the people when there is a sudden surge in the price of world crude oil.

"When this happens, the Government will step in to stabilise the price by giving tax exemptions and subsidy to ensure that the people are not burdened," he added.