

No plan to cut fuel prices

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PUTRAJAYA: The latest drop in world crude oil prices will not trigger an immediate government move to reduce fuel prices.

Deputy Prime Minister Datuk Seri Najib Abdul Razak said yesterday crude oil prices would instead be monitored for a year and, if prices stabilise, a review considered.

"But that depends on the market prices. Please don't misconstrue this as a guarantee that the prices will be reduced. This is up to the cabinet. If it stabilises for a certain period, we will make a decision on it," Najib, who chairs the special cabinet committee on petrol and diesel prices, said.

He was speaking to reporters after chairing the 5th National Mineral Council meeting here. Reporters had asked him about the slide in the world crude oil prices. Yesterday, light crude for March delivery was quoted at US\$54 a barrel.

Asked how long he thought crude oil prices would stabilise, he said it was a question of the government's judgment, and that it had to see the price trend.

"We are not sure of the short term plan yet. I didn't say we will not. I said we will review, but review does not mean that we will reduce," he said.

Asked what the government's alternative measures were, Najib said it would be in maintaining prices, which are currently subsidised.

"But, of course, there is also the possibility that we can review the prices. Let's decide when we are sure about the short-term behaviour of the prices of crude oil," he said.

He said that if fuel prices were reduced, the subsidy would go up.

Told that Singapore Airlines had reduced its fuel surcharge and whether Malaysia Airlines would do the same, he said it was up to the Transport Ministry to make the recommendations and discuss with MAS.

On yesterday's meeting, Najib said it agreed to standardise the rate and formula of calculating royalties for minerals in the states.

Currently, the rate and formula used to calculate royalties differed from one state to another.

On the national minerals reserve, Najib said there were 106 tonnes of gold deposits worth about RM3.2 billion in Pahang, Kelantan, Johor, Negri Sembilan, Sabah and Sarawak.

Sabah and Sarawak, he said, have about 890 tonnes of coal worth RM35 million.