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PM: Understand fuel price hike, play your role

■ By Azura Abas
news@nst.com.my

KUALA LUMPUR: The people should get accurate information on the global fuel price phenomena so that they can understand what the country is facing.

Prime Minister Datuk Seri Abdullah Ahmad Badawi said the government had held out for as long as possible to protect the people from fuel price hikes but the price had risen steeply and rapidly in the world market.

He said in January last year, the price of crude oil in the world market was only around US\$50 (RM161.50) a barrel but had increased to almost US\$130 a barrel 18 months later.

Analysts are now predicting it would continue to rise to US\$200 per barrel.

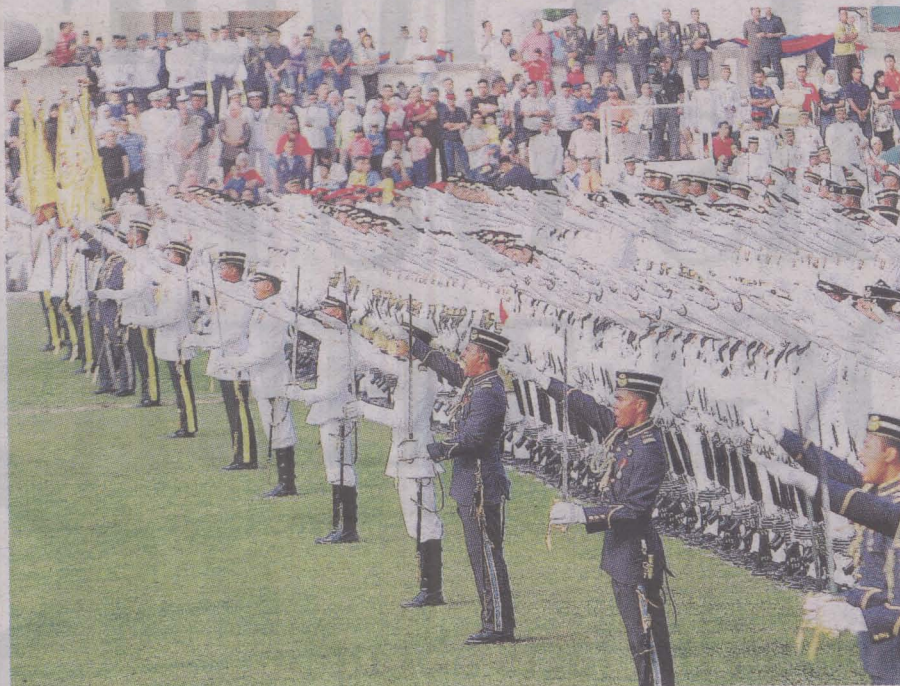
"In this situation, government expenditure will not be able to meet the difference between controlled selling prices and that in the world market despite higher revenues earned by Petronas," Abdullah said in his speech at the investiture ceremony held in conjunction with the Yang di-Pertuan Agong Tuanku Mizan Zainal Abidin's birthday at Istana Negara.

Abdullah said this was a challenge that all Malaysians had to face.

"Everyone has a role and responsibility in facing these trying times."

He said the government would do all it could to ease the burden faced by the people, especially those in the lower-income group.

Steps would be taken to increase direct aid to those affected and steps would be taken to ensure prices of essential goods re-



Soldiers of the Royal Malay Regiment performing the 'trooping of colours' in honour of Yang di-Pertuan Agong Tuanku Mizan Zainal Abidin's official birthday yesterday.

mained affordable.

The government would also employ other measures, including managing the public sector expenditure prudently; expanding the controlled items list; improving public transport; and shelving programmes which did not fulfil current needs.

On the government's effort in eradicating poverty, Abdullah said the poverty rate had fallen from 5.7 per cent in 2004 to 3.6 per cent last year while hardcore poverty had eased from 1.2 per cent to 0.7 per cent over the same period.

The average household income of Malaysians, Abdullah added, had increased from RM3,249 in 2004 to RM3,686 last year.

He said many challenges still

needed to be addressed to ensure the nation continued to progress.

Among them were the world economic growth slowdown due to the stagnant United States economy which had seen spill-over effects in Europe and developing economies.

In spite of this, Abdullah said the national economy experienced encouraging growth last year, proving that the nation was on the right track.

"Real Gross Domestic Product (GDP) growth last year stood at 6.3 per cent despite a challenging world environment.

"All sectors recorded strong growth, in particular the services, construction, mining and plantation sectors. Consumer demand growth was also healthy at

11.8 per cent."

Abdullah said the government had also succeeded in reducing the national deficit to 3.2 per cent, achieving economic growth that was supported by a resilient domestic economy besides having a more diversified economic structure.

"These achievements clearly show the government is always implementing policies and economic management strategies that are flexible and pragmatic."

On the fight against corruption, the prime minister said steps were being taken to make the Anti-Corruption Agency a full-fledged commission while a parliamentary select committee on corruption prevention had also been set up.

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