

**Country can't run on fuel subsidy forever, says PM**  
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PUTRAJAYA: The country cannot rely on fuel subsidy-driven consumption to prop up the economy in the long run, said Prime Minister Datuk Seri Najib Tun Razak.

He acknowledged that Malaysia had one of the lowest pump prices in South-east Asia second only to Brunei Darussalam but pointed out that the country needed to reposition its oil-based revenue towards economic development.

"If we use all our riches to provide fuel subsidies, that will increase consumption. If we increase consumption, we do not build productive assets for our country's future, and one day oil will be depleted.

"There will be less oil, the amount of oil production will go down and we will face a grave situation.

"That is why we must use our oil resources not only for the short-term but also the long-term interests of our country," he said in a video response to a question posed on his blog, [www.1malaysia.com.my](http://www.1malaysia.com.my).

Najib pointed out that despite being an oil-producing country, Malaysia was considered a marginal net exporter as domestic consumption was nearly as high as its exports.

He added that the quality of Malaysian oil was more suited for the international market, while the need for petroleum products used domestically were sufficiently met by oil imported from the Middle East.

Najib pointed out that the Government spent in excess of RM2bil in subsidies every month for petroleum products produced in the country, which included liquefied petroleum gas and diesel.

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