

**Domestic Oil Demand Equals Export – Najib
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KUALA LUMPUR, July 2 (Bernama) - Prime Minister Datuk Seri Najib Tun Razak says although Malaysia is an oil producer, domestic demand equals the oil exported making it a marginal net exporter.

Malaysia's oil is more suitable for international market and domestic needs and the government had to import and process oil from Middle East countries.

The government also contributed significantly to the people via subsidy of more than RM2 billion per year for each litre of petroleum products.

"One litre of RON95 has subsidy of 82 sen per litre. We are paying RM1.90 per liter although we should be paying RM1.90 plus 82 sen. A full tank of about 25 litres will save us between RM25 and RM30," he said answering questions submitted by Rakan Online Najib Razak uploaded in the blog www.1malaysia.com.my Sunday.

Najib said the government chose to adopt a prudent policy and not give high subsidy because the funds could be used for economic development.

Oil prices in Malaysia are also among the lowest in the world.

"If the government use all the funds for fuel subsidies, it will add consumption and this will not develop productive assets for the future.

"One day the oil will be depleted. We must use our oil resources not only for the country's short term interests but also for the long term,"he added.

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