

**After three months of price drops, fuel up 25 sen tomorrow**  
**The Malaysian Insider**  
**Feb 28, 2015**

Retail prices of fuel will go up from midnight tonight, with RON95 at RM1.95 a litre and RON97 at RM2.25 a litre, three months after Putrajaya cut fuel subsidies for a managed float pricing system in Malaysia.

Diesel will also be sold at RM1.95 a litre, a statement by the Domestic Trade, Cooperatives and Consumerism Ministry announced through Bernama said.

The new price is a 25 sen increase over February's prices which were set at RM1.70 per litre for both RON95 and diesel, and RM2 per litre for RON97.

The increase is expected due to a rise in crude oil prices, after a slump last year and into the new year.

February's prices had seen a drop by 21 sen and 11 sen, for RON95 and RON97, respectively, from January.

Domestic Trade, Cooperatives and Consumerism Minister Datuk Seri Hasan Malek said in a statement released this evening, that the price was determined based on the average cost price of the product during February 2015 and currency exchange rates.

"The government will monitor the development of the market price of the products' costs and currency exchange rates every time to set the retail price of petrol and diesel for the following months," Bernama quoted Hasan as saying.

The minister reminded all oil companies and petrol station operators to comply with the new pricing.

"Stern action will be taken against those who violate the rules relating to the new prices set by the government," he added.

Putrajaya ended the subsidies system last December after global oil prices slid to below US\$60 a barrel as oil-producing countries kept production up despite a souring world economy that slowed consumption.

Since December 1, the retail price of fuel has been set by a managed float method and a new price is announced before the start of each month. Prices in December were RM2.26, RM2.46 and RM2.23 for RON95, RON97 and diesel, respectively.

Global oil prices had been on a downward slide since June due to excess production and showed no signs of recovery, which prompted Malaysians to believe that they were looking at cheaper oil prices in 2015.

But Reuters reported today that the price of Brent crude rose by US\$2.53 to

US\$62.58 a barrel on Friday, while US crude rose US\$1.59 to US\$49.76 per barrel.

Reuters said oversupply is likely to keep a lid on oil over the next few months, and prices could retreat a little in the short term, based on its own poll. – February 28, 2015

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