

Fuel prices should have gone up by 20 sen but kept at 15

SKV 2/11

KUALA LUMPUR: The increase in fuel prices this month is based on the weighted average of global crude oil prices last month, said Second Finance Minister Datuk Seri Johari Abdul Ghani.

He said the global crude oil prices for October was high, so it was reflected in this month's price.

"If the price of oil drops this month, it will be reflected next month," he said yesterday.

He also said market forces dictated that fuel prices in November should have increased by 20 sen per litre, but Prime Minister Datuk Seri Najib Tun Razak wanted it restricted to 15 instead.

Speaking to reporters at Parliament lobby, he said Najib felt that it would be unfair to increase the price by 20 sen.

Based on the decision, he said, the Government was still subsidising fuel prices by five sen.

He explained that monthly fuel prices were dependent on the average price of the preceding month.

"The average price from Oct 1 to Oct 31 is used for November. The oil price went up in October, so the average is used for November.

"Hopefully, if the market improves in November, there will be no need for an increase and maybe we can even reduce it," he said.

He added that fuel prices also depended on the relative strength of the Malaysian currency against the US dollar.

"If our currency is lower against the dollar, that would affect oil prices," he said.

The November price for RON95 petrol is RM1.95 per litre (from RM1.80 previously), while RON97 will be sold at RM2.30 per litre (from RM2.15).

Diesel is also up 15 sen to RM1.90 per litre from RM1.75.