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Mixed views on weekly fuel price update

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> Consumer associations give pros and cons on government's new policy

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PETALING JAYA: The government's new policy of updating petrol prices on a weekly basis has seen mixed reactions from consumer associations.

Malaysia Muslim Consumers Association chief activist Datuk Nadzim Johan said the policy is beneficial to consumers.

"It's a good policy. With weekly pricing, the differences will be minimal as it will be evened out to an average. We were among the groups that were pushing for this (policy)," Nadzim told *theSun*.

However, he said, the government will do well to have the oil giants on board with this policy as it is currently set based on retail prices instead of market oil prices.

Nadzim said small retailers, especially those in rural areas, will find it hard to compete against oil giants as they are barely making profit as it is.

"Some of their (profit) margins are only three or four sens per litre. After factoring overhead costs some of them can't even meet their monthly commitments."

He said this is shown by the fact that hundreds of small petrol retailers have closed down in recent years while oil giants are still able to make a tidy sum by sheer volume alone.

Federation of Malaysian Consumer Associations (Fomca) president Datuk Marimuthu Nadason, however, thinks the policy will complicate matters and create

opportunities for retailers to exploit.

Marimuthu said he had already received complaints of several petrol stations conveniently running out of petrol before the government announced the new prices on Wednesday.

"This is the first time they announced the fuel prices, and I have gotten complaints from certain areas that petrol stations ran out of petrol on Tuesday. They were possibly anticipating a hike, but the prices went lower instead," he said.

"The new system will also create confusion in industries in which petrol (and diesel) plays an important role such as transport and logistics."

On the need to apply for government permission for petrol stations to offer discounts or promotions, he said it is better to simply let retailers compete with each other without unnecessary restrictions.