

Announcing RON95 and diesel price drops, finance minister says 'promise fulfilled'

Friday, 07 Feb 2020 04:48 PM MYT
BY RADZI RAZAK



Lim said RON95 will be four sen cheaper and retail for RM2.04 while diesel will go from RM2.18 to RM2.08. — Picture by Miera Zulyana

PUTRAJAYA, Feb 7 — The price of RON95 petrol and diesel will both go below their government-imposed price ceiling after today, Finance Minister Lim Guan Eng announced.

In a press conference, Lim said RON95 will be four sen cheaper and retail for RM2.04 while diesel will go from RM2.18 to RM2.08.

"We have fulfilled our promise. This is *janji ditepati*," Lim said, adding that the reduction was due to declining oil prices globally.

The new prices will be effective from midnight to February 14.

Retail prices for both fuels are set using a weekly automatic pricing mechanism (APM) but are capped, unlike RON97 petrol that has not set maximum price.

Today, Lim said RON95 was subsidised at a rate of three sen per litre last week because of the price ceiling.

He said the reductions announced today were because the prices set by the APM were below the maximum set by the government.

"Consumers will be able to reap the benefits of the drop in prices immediately," Lim said.

Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail, who was also at the press conference, said the APM would be retained for the time being.

Putrajaya had intended to gradually remove price support for fuel and move to a targeted subsidy scheme, but postponed this indefinitely at the start of the year.

"This is until we develop the targeted fuel subsidy mechanism," he said.

