

Petrol still subsidised amid lower world oil prices

PUTRAJAYA: The government is still subsidising petrol despite a drop in the price of crude oil due to slower demand from China following an increase in the novel coronavirus cases, said Datuk Seri Saifuddin Nasution Ismail.

The Domestic Trade and Consumer Affairs Minister said that with lower global oil prices, the subsidy which the government had to fork out was lower.

"At the current (price) level, we are still subsidising petrol, but at a lesser quantum.

"This means that the burden on the government is slightly less and the consumers will still enjoy RON95 at RM2.08 per litre," he said after attending the ministry's monthly assembly.

To a question, Saifuddin said petrol prices might be reviewed if oil prices continue to slide.

"For now, we will continue to monitor world oil prices," he said when asked about a drop in crude oil prices as China curtails travel.

According to a report, the lockdown due to the health outbreak and cancelled flights threaten one of the steadiest growth areas of global oil demand, with jet fuel accounting for about 15% of demand growth in China.

Brent crude oil is now priced at US\$59.32 or RM242.23 per barrel.

Saifuddin added that the ministry would also talk to local face mask manufacturers about increasing production if there is a shortage of supply.

Importers would also be asked to get more from their suppliers, adding that apart from locally-made masks, Malaysia also imports the item from Europe and China.

"With the public being alert and vigilant on the spread of the virus, there may be a possibility of a shortage in supply," he added.

On whether there is a shortage of food supply due to the novel coronavirus, he said there was no indication of such a situation.