

RON97 price expected to go up: Petrol dealers group

➤ RON95 petrol to remain for now despite global fluctuations, says Guan Eng

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PETALING JAYA: Petrol Dealers Association of Malaysia president Datuk Khairul Annuar Abdul Aziz said consumers, particularly those using the higher grade RON97 fuel, would be the ones most affected by recent attacks on Saudi oil facilities, but said the effect would not be immediate.

"Prices should spike significantly. Crude price will be affected more immediately than refined fuel, so expect a delayed increase in the pump price of RON97," he said yesterday.

Khairul Annuar said while the prices of RON95 and diesel are expected to remain the same due to the government price cap, a higher

subsidy bill would have to be footed by the administration.

He was asked to comment on the coordinated drone attacks on two key Saudi oil plants on Saturday, which caused massive fires affecting about half of the kingdom's vast oil output, equivalent to more than 5% of global oil supply.

Experts have predicted this could cause a spike in global oil prices.

Earlier yesterday, Lim said the price of RON95 fuel would remain the same for the time being as it would continue to be subsidised by the government, despite a price increase globally, but said this (price cap) may be reconsidered in the long-term based on more solid assessments.

He said decisions should not be made based on spontaneous reaction, and that the matter needed to be examined and studied more thoroughly before any announcements are made.

"For the time being, yes (prices will be capped)," he said after attending a briefing on the Special Voluntary Disclosure Programme organised by the Inland Revenue Board.

However, petrol station operator Shahrin Umar said the subsidy would cost the government a few billion ringgit, particularly if global oil prices hit US\$100 per barrel, as opposed to its current price of US\$68 per barrel.

Shahrin said to cushion the impact of the increase, the government should rely on Petronas' output rather than relying on fuel imports.

On a separate matter, Lim denied giving approval for a company to be awarded a RM450 million construction project in Kota Baru, Kelantan, through direct negotiation.

He said the approval letter, purportedly issued by his ministry, was not signed by him and that he needed to discuss the matter with Prime Minister Tun Dr Mahathir Mohamad before commenting.

"If it was signed by me, at least there is some basis to it.

"But it could have been signed by so many other officials. Do you know how many staff there are in the ministry?"

"Please be reasonable. Let me discuss the matter with the prime minister first," he said.