

'RON95 price increase to be gradual'

KUALA LUMPUR: There will only be a minimal month-to-month increase in the price of RON95 when it is floated beginning January next year.

Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail said yesterday the government would continue subsidising the price to ensure a gradual increase until it is equivalent to the global market value.

"The increase will be gradual, because we don't want to see a situation where when we start floating the price of RON95, it increases from RM2.08 to say RM2.50.

"The impact to the economy will be grave," he told the Dewan Rakyat.

"It is safe to say that the gradual increase will be minimal.

"For instance, we may increase it to around RM2.10 in January, which is a 2 sen rise.

"What this means is that the government may still subsidise the price by around 25 sen, depending on the market value then."

However, Saifuddin said, there were no plans to cap the price of RON95 as feedback from oil companies showed that the global price in the coming months would not increase drastically.

He was responding to a question from Khairy Jamaluddin (BN-Rembau).

Under the targeted fuel subsidy scheme, only Bantuan Sara Hidup recipients based in Peninsular Malaysia are entitled.

Eligible car owners will receive RM120 every four months while motorcycle owners will get RM48 for the same period.

Saifuddin said the price of RON95 in Sabah, Sarawak and Labuan would be fixed at RM2.08 a litre until a new mechanism is announced.

"Even if the price in the peninsular increases to RM2.10, it will remain the same there."