

Petrol stations encouraged to sell fuel below govt-stipulated prices

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PUTRAJAYA (Bernama): Petroleum products can be sold below government-stipulated prices if petroleum companies want to compete among each other, says Datuk Seri Saifuddin Nasution Ismail.

The Domestic Trade, Consumer Affairs Minister said all 3,500 petrol stations from the six main industry players are currently selling petroleum products according to the Automatic Pricing Mechanism (APM) which is RM2.08 per litre for RON95 petrol.

If the six petroleum companies practise the principle of competition through innovation and efficiency apart from focusing on the business based on petroleum, they could reduce the retail price of petroleum products," he said.

"If it is implemented we can see petrol stations selling at different prices. For instance, if Shell is selling at RM2.06, Petron RM2.07, then go to BHP which is retailing at RM2.04," he told reporters after attending a Symposium on Fair Competition and Cost of Living here Tuesday (Nov 12).

Saifuddin said petrol station operators can implement this if it generates a larger volume of sales everyday.

"Petrol retailing business is a business of volume, not margin, which means competition among station operators can take place.

"How much to be reduced depends on the operator as they need to make comparison in terms of costs and quality of service offered," he said.

He said the Government had taken into account the importance of petrol station operators by increasing their margin by 2.81 sen per litre to 15 sen per litre for petrol and 3 sen per litre to 10 sen per litre for diesel.

Saifuddin Nasution said the Government was also prepared to provide support, including giving certain benefits for petroleum companies which reduce their prices. – Bernama

Read more at <https://www.thestar.com.my/news/nation/2019/11/12/petrol-stations-encouraged-to-sell-fuel-below-govt-stipulated-prices#QIS2W64u8ILGchBj.99>