

Energy Minister responds to question on distribution of fuel

NAY PYI TAW, 16 March - At the session of Amyotha Hluttaw held today, Amyotha Hluttaw representative Dr Myat Nyana Soe of Yangon Region Constituency No- 4 said that it is found that although fuel stations were privatized in accord with the standards of market economy, only motor vehicles were allowed to buy fuel, and purchase of fuel with the use of containers once was banned. Although the Ministry of Energy issued a set of directives on purchase of fuel with the use of containers, it is found that some fuel stations did not follow the set of directives. Fuel is used in generators, engines used in cottage industries and farm machinery.

As fuel needed in cottage industries and farming is to be bought from vehicle owners, the black market has become large, making wide price gap. He asked a question about whether or not a system of direct distribution of fuel to customers can be introduced for ensuring decline in commodity price, swift flow of commodity and development of cottage industries and agriculture sector.

Regarding the question, Minister for Energy U Lun Thi replied that 260 fuel stations in States and Regions were transferred to private sector by National Privatization Commission, and the opening and sale of fuel at the stations started on 10 June 2010. The private-owned stations distributed fuels to motor vehicles and motorbikes. Now, the Ministry of Energy ordered the privateowned stations to sell diesel and gasoline to other sectors. Starting from February, the stations are selling fuels to other sectors freely.

He continued that the public can buy fuel which is sold at floating price as they wish. The Ministry of Energy is selling gasoline produced from our own oil refineries to the public at a low price through the stations.

About 10 million of gallons can be produced monthly and about one million of gallons went to state-owned sector and nine million of gallons to private-owned sector. It is noticeable that as the government is selling gasoline at a low price, it is cheaper than the street price of gasoline in world market. Nine million of gallons cannot meet fuel consumption in private sector. So the government planned to import needed gasoline.

Entrepreneurs were allowed to import 92 Ron gasoline and to sell it freely. So the public can buy the 92 Ron gasoline as they wish.

However, users preferred to more use home-made gasoline because it is cheap and common. It was found that owners of modern cars bought 92 Ron gasoline. Daily sale of 92 Ron gasoline has risen from 382 gallons in June 2010 to 49582 gallons on 15 March 2011.

Now, the number of stations has increased to 332. The government is encouraging to open more private-owned fuel stations in line with the laws at the necessary places in States and Regions in order to distribute fuels to the public directly across the nation.

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