

Panel Discussion

"Global Fuel and Diesel Supply Crisis: How Will It Affect You and Your Business?"

Friday, 15 May 2026 | Ringgit Room 1, The St. Regis Kuala Lumpur



The Kuala Lumpur Business Club (KLBC) hosted a panel discussion on the "Global Fuel and Diesel Supply Crisis: How Will It Affect You and Your Business?" on Friday, 15 May 2026, at The St. Regis Kuala Lumpur.

The KLBC Board was represented by Founder, YBhg. Dato' Dr. (h.c.) Rohana Tan Sri Mahmood, President, YBhg. Datuk Ruben Emir Gnanalingam Abdullah, Deputy President, YBhg. Dato' Fad'l Mohamed, and Directors YBhg. Dato' Dr. Zaha Rina Zahari and YBhg. Datuk Chua Sai Men. The event was attended by 43 KLBC members and guests, representing various sectors.

KLBC President, YBhg. Datuk Ruben Emir Gnanalingam Abdullah, opened the session with welcoming remarks, followed by an insightful and engaging discussion moderated by En. Firdaos Rosli, Chief Economist of Ambank Group. The discussion featured panellists Dato' Seri (Dr) Michael Tio, Group CEO & Managing Director of PKT Logistics Group and Champion of the Logistics Productivity Nexus, Mr Oliver Wee, President of Master Builder Association of Malaysia and Ms Felicia Ling, Chief Economist of Hong Leong Investment Bank Berhad.

The conversation established that the fuel and diesel supply crisis is a supply-side crisis — not a demand shock — requiring different policy responses than COVID-19 era playbooks. Approximately 10 million barrels/day has been shut in globally, and recovery will take an estimated 5–6 months, even after any conflict resolution. Conditions remain fragile.

Sector Impacts

- **Construction:** Material prices are unsustainable; fixed-price contracts are unworkable with no escalation clause. 90% of contractors are SMEs absorbing losses, with many advising project owners to delay start by 6–9 months. Industrialised Building System (IBS) construction technology exists but adoption is low — incentives must precede regulation.
- **Fuel Subsidies:** Malaysia's subsidy bill peaked at RM7 billion/month (now down to ~RM5 billion/month). A gradual price adjustment or quota reduction (from 200L/month → 150L/month) is preferred over a sudden price hike.
- **Logistics:** No hoarding has been reported yet, but government communication must be carefully calibrated. A 5% transport cost increase (versus the proposed 15%) is considered appropriate to keep inflation below 2%.
- **Oil Supply:** Malaysia imports approximately 70% of crude from the Middle East. Russia and Venezuela cannot offset the global shortfall. Singapore has assured no export restrictions on refined products to Malaysia.
- **Aviation:** Malaysia has shifted from net exporter to net importer of jet fuel. Operators should plan for a prolonged high-price environment.
- **EV Transition:** EV trucks remain commercially unviable due to range and infrastructure limitations.

As a key takeaway from the discussion, demand has not collapsed — this crisis demands supply-side policy tools. Scarring effects are underappreciated - approximately 14 billion barrels of supply has been lost, and domino risks from tariffs and geopolitical realignments have not been fully priced in.