

Sarkozy to create fund to fight rising oil prices

French President Nicolas Sarkozy said Tuesday he would create a fund to aid people who are the most affected by the spiralling cost of oil.

Sarkozy told RTL radio that the fund would be financed by surplus from state revenues from value added tax (VAT) on petrol, which amounted to about 150 to 170 million euros (\$237 million to \$268 million) per quarter.

He also said he intended to propose to other European Union countries to suspend the VAT on petroleum products as a way of dealing with the rising price of crude oil.

The decision would be 'European,' Sarkozy said. 'I am launching the proposal.'

France is assuming the rotating presidency of the European Union on July 1.

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