

Subsidy cut to be announced this week

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The government is expected to announce this week, subsidy rationalisation measures, including streamlining petroleum prices.

Domestic Trade, Cooperatives and Consumerism Minister Ismail Sabri Yaakob said the government, however, would come out with the most suitable formula in order to lessen the people's burden.

"Wait (for the announcement) within this one week... we will decide whether to continue with the petrol, diesel and gas subsidies, considering the amount of subsidies being borne by the government having risen from RM8 billion to RM18 billion a year," he said when asked to comment on speculations that the government would be reviewing petroleum product prices including for RON95.

Ismail Sabri said the government felt that the huge amount spent on subsidies should instead go to financing projects that would benefit the people more like poverty-eradication programmes and building homes for the people.

Earlier, he had launched the three-day Federal Territory Cooperatives Carnival 2011 held at Medan Tuanku in Kuala Lumpur today.

The price of RON95 petrol is now RM1.90 per litre compared to that for RON97 which has increased to RM2.90 per litre after the price floatation.

On May 16, Deputy Prime Minister Muhyiddin Yassin reportedly said that the amount of subsidies to be borne by the government this year would balloon to RM20.58 billion from RM10.3 billion last year due to the rise in world crude oil price.

- Bernama

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