

Pakatan claims credit for the 'non-price hike'

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Pakatan Rakyat has come out to claim the credit for the government's announcement yesterday that there will be no increase in petrol, diesel and liquified petroleum gas prices for now.

Penang Chief Minister and DAP secretary-general Lim Guan Eng (right) put forth his theories on why the BN-led federal government 'backed down' from their proposed subsidy cuts.

"Pakatan must have struck fear into the hearts of the BN government until they are forced to back down from their proposed subsidy cuts and instead announced that there will be no increase (in fuel prices)," he said in a statement this morning.

Lim claimed one of the reasons was the BN's intention to hold snap polls and their strategy to retain electoral favour.

"There are three reasons why BN 'blinked' and decided against proceeding with their proposed price increases.

"First, Pakatan was able to mobilise almost total opposition to the price increases by highlighting the gross injustice of big corporate giants such as independent power producers (IPPs) being spared subsidy cuts of RM19 billion annually while 27 million ordinary Malaysians have to fork out more money for price increases they can ill-afford.

"Two, BN intends to hold snap elections and such unfair price increases will not go down well with the voters.

"Three, BN is worried about the surprising electoral strength of Pakatan until BN fears pushing through the subsidy cuts which will only cause loss of popular support," said Lim.

Domestic Trade, Cooperatives and Consumerism Minister Ismail Sabri Yaakob announced that there will be no price hikes for petroleum products any time soon but denied that it was due to possible snap polls or pressure from the opposition.

His statements came amid wide speculation that there would be 'subsidy rationalisation' measures and the move was said to have been discussed at yesterday's cabinet meeting.

His counterpart in the Green Technology, Energy and Water Ministry Peter Chin was also supposed to call for a media briefing on the subsidy measures to the IPPs, but it was cancelled at the last minute.

IPPs still the fat cats

Lim also claimed that while price hikes by the government are inevitable, he charged that the IPPs will still get to enjoy the subsidies, which he estimated to be RM19 billion annually, based on the "strong support as demonstrated" by MCA president Dr Chua Soi Lek and Chin himself.

Chin had previously denied that IPPs get gas subsidies of RM19 billion, saying that it is instead the profit that Petroliam Nasional Bhd had to forgo for having to sell gas below the market price to the IPPs and Tenaga Nasional Bhd (TNB).

Meanwhile, Chua said slashing subsidies for the IPPs cannot be done because the government had signed deals with various power producers many years ago and this can only be renegotiated after the contracts lapse.

Finally, presenting his one-stop solution to the matter, the chief minister said only strict anti-corruption policies would save the government enough money to avoid slashing subsidies.

“There is no way that the 5.4 percent fiscal deficit target can be achieved without further subsidy reductions unless the BN government adopts an anti-corruption policy.

“An anti-corruption policy is unlikely when the BN government refuses to adopt open tenders, transparent procedures and full public accountability in government procurement and contracts,” Lim said.

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