

Ku Li: Subsidies for IPPs an 'unforgivable sin'
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The awarding of subsidies totaling RM136.5 billion to independent power producers from 1997 to 2011, when consumers are faced with cutbacks in subsidies, could be considered "a sin which cannot be forgiven", said Tengku Razaleigh Hamzah.

The Kelantan prince and one time finance minister said although giving subsidies for consumer goods is not the best way to handle rising cost of living, this could still be accepted.

"However, a move which cannot be condoned and considered a sin is how the government is willing to give subsidies to the national energy supplier, independent power producers and other organisations related to energy.

"The sad part is that while these power producers continue to enjoy subsidised fuel prices, petroleum subsidy to the consumers - which purportedly cost the government RM14 billion in 2011 - was partly discontinued recently," he added.

Speaking at the launching of a book titled "*Malaysia Kaya, Rakyat Miskin*" (Malaysia is rich, people are poor) written by Anas Alam Faizli, Tengku Razaleigh said instead of giving subsidies to the IPPS, the money could be channeled to the poor.

The founder and former chairperson of Petronas also criticised the government's handling of the national oil company, citing a statistic that was in the book written by Anas Alam, where between 1974 and 2011, Petronas spent close to half a trillion ringgit.

This, he added, could have been better used to form a special fund for pension as done by a Scandinavian country.

Tengku Razaleigh, fondly known as Ku Li, also expressed regret that Petronas is being used as a "cash cow" to bail out government-linked corporations like Bank Bumiputera and Konsortium Perkapalan Berhad.

He said Petronas was also used to underwrite for the construction of the Petronas twin towers which costs RM6 billion and the administrative capital of Putrajaya at RM22 billion.

"The extravagance that had been forced on to Petronas has also deprived the company from the much needed cash build-up for reinvestment which would ensure its business sustainability.

"The truth is that there had been consistent political interference and this has affected Petronas, even though it is a professionally run corporation. What is needed is for Petronas is to look forward and find new opportunities to trade in other than oil and gas," he added.