

## **Diesel subsidy not abolished, says Anwar**

**Malaysiakini**

**18 June 2024**

**Bernama**

The government still bears around RM7 billion in subsidies related to diesel in Peninsular Malaysia, said Prime Minister Anwar Ibrahim.

He explained that subsidies were not abolished and the diesel subsidy rationalisation is to ensure more efficient management of subsidies so that they are not misused and reach the appropriate groups.

“The main goal of the diesel subsidy rationalisation policy is to ensure that subsidy wastage no longer continues while ensuring that the savings are returned to the wider population,” he said in a statement today.

Anwar said savings from the implementation of targeted subsidies will certainly be returned to the people in the form of education, health, public transport and other sectors that have the greatest impact on the public.

He added that the Madani government will also remain committed to combating diesel smuggling while striving to address supply and cost of living issues.

The prime minister said the Domestic Trade and Cost of Living Ministry launched Ops Tiris on March 1, 2023 to combat the misappropriation of subsidised diesel benefiting parties not eligible for the subsidies.

As of Dec 31 last year, a total of 6.44 million litres of diesel, estimated to be worth RM14.12 million, has been seized.

Anwar said due to the positive results and developments of the operation, Ops Tiris 3.0 has been launched with an expanded scope covering other controlled goods, namely refined white sugar (coarse and fine), one kilogramme polybag cooking oil, RON95 petrol and liquefied petroleum gas (LPG).

“As of June 14, controlled goods worth RM12.96 million have been seized, with diesel accounting for the bulk of smuggled and misappropriated controlled items,” he added.

Additionally, he said the price of pure palm cooking oil in bottled packaging has been maintained at RM6.90 (1kg), RM13.30 (2kg), RM19.60 (3kg) and RM30.90 (5kg) since the Madani government took over leadership, even though the world crude palm oil (CPO) prices have exceeded the threshold price of RM3,890 per tonne.

Anwar said, for example, with CPO prices at RM4,215 per tonne in March and

RM4,256 per tonne in April, the price of 5kg pure palm cooking oil could have risen to between RM33 and RM35.

### **RM4 billion in annual savings**

On June 9, Finance Minister II Amir Hamzah Azizan announced that the price of diesel at all retail stations in the peninsula would be set at RM3.35 per litre, which is the market price without subsidy, based on the May 2024 average according to the automatic pricing mechanism formula beginning June 10.

He said the price float and targeted diesel subsidy implementation could save the country RM4 billion annually while strengthening its financial position in the long term.

Amir said the diesel price will be announced weekly according to the current practice of the Finance Ministry, and the government will continue to monitor the situation to prevent price instability.

However, the subsidy rationalisation does not involve consumers in Sabah, Sarawak and Labuan.

- Bernama

**Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd**

Source: <https://www.malysiakini.com/news/708986>