

## **RON95 subsidy rationalisation will not affect most M'sians: PM**

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Prime Minister Anwar Ibrahim has doubled down on the government's commitment to proceed with RON95 petrol subsidy rationalisation, dismissing opposition concerns as political theatre.

Speaking at the launch of Energy Asia 2025, Anwar again stressed that the subsidy rationalisation initiative is something that is "critical" for Malaysia and that the vast majority of the population will not be affected.

"Well, there are a lot of negative campaigns about RON95. We have said, and I would like to reiterate the point. There's no issue of RON95 increase affecting 85-90 percent of our people. So that must be made very clear.

"Whatever the opposition says is just a gimmick, a desperate gimmick to show that people are facing hardship, so more negative news from them, when we need positive, encouraging news to help propel our economy.

"No issue about raising the price of petroleum to the vast majority, 85-90 percent

of our people. That's important.

“Whether we'll do it, yes, we'll do it, because subsidy rationalisation is something that is critical for our nation. We want to have enough resources to help the poor, to enhance the quality of education, to give better public services, including health,” Anwar said.

The targeted subsidy programme, initially announced during Budget 2025, is set to commence in the second half of 2025.

The government is looking to implement the long-awaited programme for RON95, following a similar move for diesel in 2024.

Subsidy benefiting the rich, foreigners

In justifying the move in his Budget 2025 speech last year, Anwar - who is also finance minister- said the government paid a hefty subsidy bill exceeding RM20 billion in 2023, which provided one of the cheapest RON95 petrol prices.

RON95 is priced at RM2.05 per litre in Malaysia, he said, compared to RM5.85 per litre in Thailand, RM3.38 in Indonesia, RM9.02 per litre in Singapore, and RM2.66 in Saudi Arabia.

However, the policy of bulk subsidies means a large chunk of the RON95 subsidies benefit foreigners and the rich.

“It is an irrefutable fact that foreigners and the ultra-rich top 15 percent earners enjoy 40 percent of the RON95 subsidies, amounting to RM8 billion.

“That RM8 billion is going from the tax collector to the ultra-rich and foreigners.

“Thus, it is better for that RM8 billion to be used for education, healthcare, and public transport facilities, including for the Orang Asli,” the Tambun MP told Parliament.

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