

Remove subsidies, urges consumer group
Malaysiakini.com
May 26, 2010

The Federation of Malaysian Consumers Associations (FOMCA) has called on the government to systematically dismantle the various subsidies as they are a huge "waste" and not benefiting the target groups.

Its secretary-general, Muhammad Shaani Abdullah, said the money saved from these subsidies could be channelled to more useful projects for the benefit of the people.

He cited the subsidy for sugar.

"The subsidy is RM3 monthly based on an average consumption of three kg per month per family. With six million families in the country, this works out to RM18 million monthly or RM216 million yearly, but the subsidy has ballooned to RM1 billion annually.

"The rest is just wastage in terms of being siphoned off to the big manufacturers and foreigners.

"Similar wastage is also noted in other food product and fuel subsidies," he said.

But be cautious

Besides removing the subsidies, he said, the government should also ensure that development funds were properly and effectively utilised.

Civil servants union Cuepacs, however, urged the government to be cautious when removing subsidies as it would affect low-income civil servants.

Its secretary-general Ahmad Shah Mohd Zin said the government should ensure that the poor were not burdened by high prices, especially of essential items.

- Bernama