

Subsidy cuts burden low-income group

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The Transport Workers Union (TWU) has welcomed the government's openness in its subsidy rationalisation plan but said that subsidies on essential items should be retained.

Its secretary-general Zainal Rampak said doing away with subsidies on items such as flour and cooking oil would affect the low-income group.

"I don't quite agree if the government abolish the subsidies on these items because it will increase the price and burden those in the low-income group," he told Bernama.

He also called for a better deployment of subsidies for certain items and not abolishing them altogether.

For instance, he said, the government could deploy a better mechanism to implement subsidies on school textbooks because at the moment, even those from the affluent families benefited from the scheme.

"This constitutes a loss to the government," he said.

He was commenting on the proposal to reduce subsidies in stages as spelled out in the government's five-year subsidy rationalisation roadmap unveiled yesterday by Minister in the Prime Minister's Department Idris Jala.

Idris said the move would save the government some RM103 billion during the period.

The Federation of Malaysian Consumer Associations (Fomca) advisor, Hamdan Adnan, said the government should put in place a strong justification before cutting the subsidies so as not to burden the low-income group.

"The government should not hastily implement subsidy reduction," he said, adding that the government should also monitor any increase in prices arising from the move.

The Malaysian Muslim Consumers Association supported the subsidy reduction, with executive secretary Nadzim Johan saying it could spur productivity and overcome reliance on subsidies.

- Bernama

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