

Panelists: Review fuel subsidy schemes
Malaysiakini.com
Apr 25, 2008
Wong Teck Chi and Andrew Ong

Several former government officials and economic experts yesterday called on the government to restructure its fuel subsidy schemes.
MCPX

cpps mid term review forum 240408 effendi norwawiSpeaking on a forum on the mid-term review of the Ninth Malaysia Plan in Kuala Lumpur yesterday, former minister in charge of the Economic Planning Unit Effendi Norwawi said present fuel subsidies were unsustainable.

"Subsidies have reached RM30 billion. There is also a need to subsidise education and medical services. This list goes on and on. It is not sustainable," he told the a crowd of 50 people comprising of academics, civil society groups and government officers.

Similarly, former Energy, Water and Communications Minister Lim Keng Yaik said present subsidies such as those for fuel were not reaching the target group.

"It is not the man on the street, which probably can only afford 1.2 litre Proton Iswara, that benefits. The rich people who drive fuel guzzlers like the 3.5 or 4.2 litre, they are the one enjoying subsidies," he said during his keynote address at the forum.

Institute of Strategic Analysis & Policy Research (Insap) director Fui K Soong during her presentation said it was an open secret that the present subsidy schemes, such as diesel and fertiliser subsidies for fishermen and farmers respectively, were open to abuse.

She said that even if the government cannot remove subsidies completely, the amount subsidised must be reduced.

Economic corridors under fire

Another government policy which came under the microscope during the forum was the launch of economic corridors throughout Malaysia.

cpps mid term review forum 240408 fui k soongFui (photo) and another speaker Petaling Jaya Utara MP Tony Pua both said that the corridors do not appear to be drawing the kind of investment that was initially touted.

Pua, who is economic advisor to the DAP secretary-general, said the investments that are going towards such corridors appear to be limited to land acquisitions and property development.

"If a Middle-East fund comes and develop a piece of land, it is different from say (computer chip maker) Intel buying a land a building a factory.

"The type of value is different. They pump technology, create jobs and provide secondary industries. That is a huge difference. Concept wise, the corridors look good... but it does not appear to be focussing on knowledge development," he said.

lim keng yaik 240408 02Earlier, in his speech, Keng Yaik (photo) had also touched on the

subject.

He said there was a need to ensure that foreign investors would be interested in the economic corridors.

"If there are too many corridors in the country, we might end up in a maze and face a blank wall," he said in jest.

The forum yesterday was jointly organised by the Centre for Public Policy Studies and the Wawasan Open University.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.
Source : <http://www.malaysiakini.com/news//81947>