

# RM29b spent to keep prices down

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THE government has spent more than RM29 billion in subsidies through various programmes to keep prices down and to help reduce the operating costs for certain sectors such as transport and fisheries.

The highest subsidy went to petrol and diesel. About RM3.6 billion was used to subsidise the cost of petrol, diesel and liquefied petroleum gas in 2004 followed by RM9.2 billion in 2005 and RM8.5 billion last year.

All in, RM11 billion was spent on subsidies last year.

Besides the petrol and diesel subsidy, other goods and services that came in for subsidy include padi which cost the government RM631 million, the food aid programme for the poor (RM602 million), school textbooks programme (RM196 million) and toll (RM155 million).

Finance Ministry parliamentary secretary Datuk Seri Dr Hilmi Yahaya said the subsidies in last few years had helped increase the purchasing power of the people, especially those in the lower income group.

## SUBSIDIES LAST YEAR

**RM8.5b**

Petrol and diesel

**RM631m**

Padi

**RM602m**

Food aid programme

**RM196m**

Textbook programme

**RM155m**

Toll

Hilmi was replying to a question by Razali Ibrahim (BN-Muar).

To a supplementary question by Razali, he said the inflation rate of 2.5 per cent had benefited the people.

He cautioned that the low prices of goods could cause problems such as smuggling to neighbouring countries.