

FINE-TUNE TARGETED SUBSIDIES, SAYS PM

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Govt depts told to develop measures that take into account consumer, industry interests

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PRIME Minister Datuk Seri Anwar Ibrahim has instructed all government departments to formulate and develop suitable measures to implement targeted subsidies by taking into account the interests of consumers as well as industries.

Anwar, who chaired a National Action Council on Cost of Living (NACCOL) meeting yesterday, said the government also aims to restructure the way bulk subsidies are channelled, as it now only benefits the "super rich" and conglomerates.

He said subsidies must be restructured to support the Bottom 40 per cent (B40), Middle 40 per cent (M40) and small businesses that were badly affected and in dire need of assistance.

"For example, Tenaga Nasional Bhd has almost 10 million users, but 10 per cent of the number, or one million of them, include conglomerates that enjoy electricity

subsidies of over 50 per cent.

"Government agencies develop suitable measures to implement targeted subsidies by taking into account consumers' and industries' needs, as well as ensuring smooth and effective implementation," he said in a statement after the meeting.

The meeting was attended by Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi, Deputy Prime Minister Datuk Seri Fadillah Yusof and Chief Secretary to the Government Tan Sri Mohd Zuki Ali.

Also in attendance were top government officials and agencies, led by Bank Negara Governor Tan Sri Nor Shamsiah Mohd Yunus, as well as ministry secretaries-general.

On Nov 25, Anwar, at his first press conference as prime minister, announced that the rising cost of living will be a priority of the unity government, vowing to alleviate the people's burden.

After chairing the NACCOL meeting that day, he said government officials had been given two weeks to study the implications of the current subsidy system.

The officials were told to hold engagement sessions with relevant parties to formulate a new strategy on subsidies.

Yesterday, Anwar said three reports were presented at the NACCOL meeting, focusing on joint issues, challenges and strategies

faced by the Domestic Trade and Cost of Living Ministry, Natural Resources, Environment and Climate Change Ministry and Plantation Industries and Commodities Ministry.

He said the reports included the preliminary views of stakeholders, especially industry players and non-governmental organisations that focus on consumer rights.

Anwar said the government was consistent in developing and supporting sustainable industry developments.

He said the country's farming sector had long achieved a level of sustainability that could fulfil domestic needs as well as export.

"The government will help industries export their products and ensure the livestock sector can produce enough for the people.

"This includes securing larger and more targeted assistance, especially for local operators."

He said at present, the supply issue was the government's priority, as any shortage would have a negative impact on the people.

Anwar said the government will study possible interventions at the consumer level to keep prices of goods in check.

He said the NACCOL meeting discussed the matter at length and several measures were recommended.

"This matter will be presented to the cabinet for a decision tomorrow (today)."