

Rethink for broad-based subsidies

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PM: Only deserving groups should benefit and not those who are well off

By MAZWIN NIK ANIS
mazwin@thestar.com.my

PUTRAJAYA: The country's broad-based subsidies should be refocused so that only the truly deserving get them, rather than those who are well off, says the Prime Minister.

Datuk Seri Anwar Ibrahim said the bulk of the aid should be channelled only to groups such as the B40, M40 and petty traders facing economic hardship.

Currently, he said, many of the well-off, including conglomerates, are benefiting, even disproportionately, from these subsidies.

He pointed out to electricity bill subsidies as an example.

Tenaga Nasional Bhd has 10 million users, but 10% of them are conglomerates which enjoy more than 50% of the energy bill subsidies.

"Departments must come up with a strategy to implement targeted subsidies, taking



into consideration the interest of consumers and industries," he said after a National Action Council on Cost of Living (Naccol)

meeting here yesterday.

The meeting also discussed sustainable development for industries, including livestock farming, to meet domestic needs as well as for export.

"The government intends to facilitate this industry to export produce and at the same time, ensure there is sufficient supply to meet the needs of the people," said Anwar, adding that this includes ensuring bigger and targeted aid to this industry.

He said the government was also mulling a more interventionist approach to tackle the shortage of certain goods, in particular price-controlled items like subsidised cooking oil in 1kg packets.

Some suggestions from the Naccol meeting will be brought to the Cabinet today.

"The proposed initiatives will be presented at the Cabinet meeting and a decision will be made," he said in a statement after chairing the meeting.

Also at the meeting were Deputy Prime Ministers Datuk Seri Dr Ahmad Zahid Hamidi and Datuk Seri Fadillah Yusof, Chief Secretary to the Government Tan Sri Mohd Zuki Ali and Bank Negara governor Tan Sri Nor Shamsiah Mohd Yunus.

Anwar, however, did not elaborate on the specific "interventionist" measures that were brought up at the meeting.

This was the second Naccol meeting he has chaired since becoming Prime Minister on Nov 24. The first meeting was held on Nov 27.

Then, he had given government agencies two weeks to look into strategies, including proposals for targeted subsidies for lower income individuals, and improving incentives for the private sector.

Watch the video
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