

Limited electricity tariff hike

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Only multinational and large export-oriented firms will be affected

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PUTRAJAYA: Only multinational and large export-oriented companies will be subjected to an electricity tariff hike, says Datuk Seri Anwar Ibrahim.

The announcement by the Prime Minister comes after the government decided not to increase the tariff for households and small and medium enterprises (SMEs), which will result in a RM30bil crunch to the government's coffers.

"Based on the report by the National Action Council on Cost of Living on Tuesday, we decided that the earlier proposal to increase the electricity tariff will not proceed as this will burden the rakyat.

"We acknowledged that if nothing is done, there will be a negative impact on government finance which is quite high, exceeding some RM30bil next year.

"So, only multinational companies (MNCs) and large companies that export products will be charged," the Prime Minister said at a press conference after chairing



Cost of living issue: Anwar speaking at a press conference at the Prime Minister's Office in Putrajaya. With him is Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi. — IZZRAFIQ ALIAS/The Star

the Cabinet meeting yesterday.

At present, he noted that government subsidies are enjoyed by individuals and companies although it seems that it is more advantageous to "rich companies".

He assured the multinational and large export-oriented companies that the tariff hike would be gradual.

"The current tariffs are too low

for them and the subsidy should not be given to large companies that make high profits.

"It will be a very gradual and reasonable increase so as not to disrupt their business operations and projections," he said.

Besides household users, Anwar assured that tariff hike would not affect SMEs and companies involved in agricultural and food production.

He said Energy and Natural Resources Minister Nik Nazmi Nik Ahmad would be announcing the details of the tariff rate for the affected sectors.

In January this year, the government decided to maintain the current electricity tariff rate for domestic users in Peninsular Malaysia for the Regulatory Period 3 (RP3) from Feb 1 to Dec 31, 2024 under the Incentive-Based Regulation (IBR) mechanism.

However, a surcharge of 3.7 sen/kWj will be imposed on all non-domestic users, such as commercial and industrial companies.

In August, then prime minister Datuk Seri Ismail Sabri Yaakob announced that the current water and electricity tariff rate for domestic users in Peninsular Malaysia would be maintained.

Tenaga Nasional Bhd (TNB) had announced that the imbalance cost pass-through (ICPT) mechanism would continue to be implemented for the period between July 1 and Dec 31, 2022.

Asked what are the measures to help reduce the high cost of living within the next six to 12 months,

Anwar explained that not increasing the electricity tariff for the rakyat is a part of the overall effort.

TNB's share price closed at RM9.34 yesterday, up by 13 sen (1.41%).

Anwar also said irregularities and gaps in production and distribution within the market are also factors being looked at in an effort to reduce the high cost of living.

He cited an example where the supply of greens was affected when farmers in Cameron Highlands were forced to dump their harvest due to a lack of transportation.

"I have instructed the Federal Agricultural Marketing Authority (Fama) to give a full report and undertake adequate measures to reduce this problem," he said.

In March 2020, vegetable farmers in Cameron Highlands threw away tonnes of fresh produce following the implementation of the MCO during the Covid-19 pandemic.

Watch the video
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