

PM: Govt kept inflation at bay

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Indirect, direct subsidies and aid made this possible, says Ismail Sabri

THE country's inflation rate would have been much higher had it not been for government subsidies and aid, says Prime Minister Datuk Seri Ismail Sabri Yaakob.

He said the producer price index (PPI) in May was 11.2% while the consumer price index (CPI) stood at 2.8%.

"In layman terms, as the PPI hits double digits, the CPI too would increase to double digits. That is the view of economists - but that did not happen due to the measures taken by the government," he said during the oral question and answer session in the Dewan Rakyat yesterday.

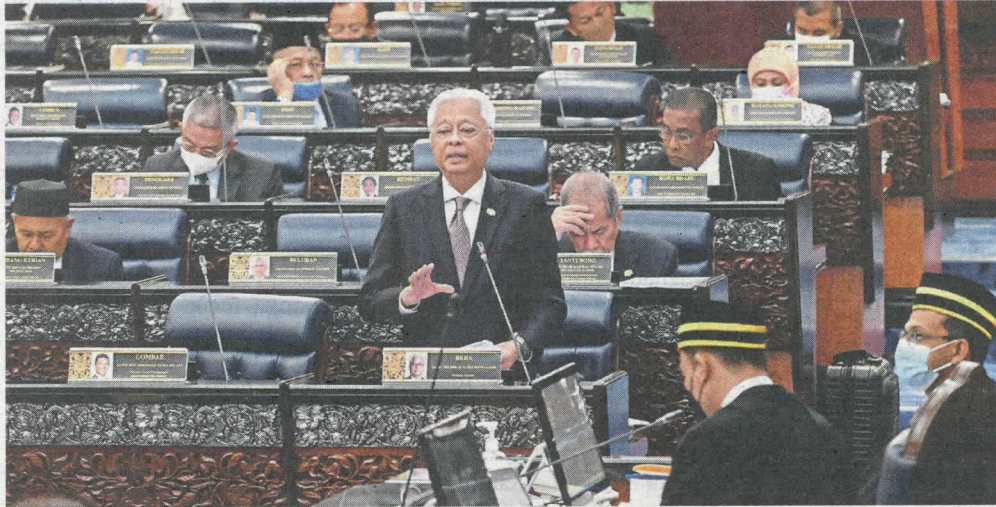
He added that this was possible due to the direct and indirect subsidies and aid given by the government.

"The PPI and CPI reflect the government's success in controlling the negative impacts of inflation," he said.

The subsidies allocation for 2022 had been increased to RM77bil from the initial allocation of RM31bil.

Ismail Sabri said no subsidies had ever been withdrawn.

"If there were campaigns calling for the government to return the subsidies, they were not true because the subsidies have never been removed since the day they



Addressing the issue: Ismail Sabri responding to questions in Parliament. - Bernama

were implemented," he added.

He was responding to Datuk Seri Anwar Ibrahim (PH-Port Dickson) on measures taken to curb the issue of the rising cost of living and to ensure prices remain stable and affordable for the people.

However, Anwar said inflation would depend on the basket of goods that is being measured, adding that the inflation rate does not reflect the actual prices of food items in the market, which happen to be much higher.

Ismail Sabri (BN-Bera) also said that measures are being taken to

curb cooking oil smuggling.

He added that subsidised cooking oil is priced "very low" at RM2.50 per kg while the original price is RM9.

"If a smuggler sells the cooking oil for RM5, he would make a profit of RM2.50 per packet. It is a very lucrative business for smugglers," he said.

Ismail Sabri said thus the government had been conducting audits on companies producing and repacking cooking oil to prevent leakages.

He added that the government

would get details from the companies on where their stocks had been dispatched and would then cross-check with suppliers on the stocks they had received.

"Sometimes the cooking oil did not reach the suppliers," he said.

Ismail Sabri said the government had enlisted the police and the military to step up enforcement to ensure that no stocks were siphoned out of the country.

He, however, conceded it was not easy to regulate the use of packet cooking oil meant for domestic use by street food vendors.

Anwar also questioned why big palm oil companies that had been making lucrative profits had not been required to lower prices.

"Why is (the government) not prepared to force companies that make billions of ringgit in profits to ensure there is a quota to sell cooking oil in the domestic market at a lower price and not at the international market price.

"What is the problem with putting a 10-15% quota to force them to sell at a lower price to the people?" the Opposition leader asked.

Ismail Sabri said the government was also looking at coming up with a mechanism to ensure the proper implementation of targeted subsidies so those who were eligible were not left behind.

Meanwhile, he said, the Jihad Against Inflation Special Task Force met twice a week and was required to provide regular public updates.

This was unlike other committees set up previously to curb cost of living issues, he said in response to a question from Datuk Seri Mohd Salim Sharif (BN-Jempol).



'Economists back austerity plan but Najib and MTEM against it':
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