

## 'I had to take from the rich so that the poor are not burdened'

MOST people would not be affected by the reduction in subsidies, says Prime Minister Datuk Seri Anwar Ibrahim.

"We reduced the electricity subsidies for the super-rich with bigger homes, who are in the T20 category.

"Why is this being turned into a political issue?

"Some 90% of the people are not affected as there will be no increase in their electricity charges," he said during Prime Minister's Question Time in the Dewan Rakyat yesterday.

He added that electricity charges for small and medium enterprises and food industries had remained the same.

Similarly, Anwar said haj subsidies would no longer be provided for the T20 group, adding that apart from these, no other subsidies had been slashed.

"I had to take from the rich so that the poor are not burdened. That too, at a minimal rate,"



**Money matters:** Anwar speaking during Question Time in Parliament yesterday. - Bernama

he added.

Anwar was responding to a supplementary question by Datuk Radzi Jidin (PN-Putrajaya) on measures to ensure the people are not badly affected by the combination of the depreciation of the ringgit and reduction in subsidies.

To another question on whether there would be further hikes to the Overnight Policy Rate (OPR), Anwar said the interest rate is solely the jurisdiction of Bank Negara.

He said the ringgit's depreciation was driven by the stronger US dollar, which had affected

other currencies too.

Since Dec 31 last year, the ringgit has declined by 3.8%, the Japanese yen by 6%, and the Australian dollar, Korean won and Chinese renminbi by around 3% each.

He said the Singapore dollar remained strong due to tighter monetary policy where the republic had increased its interest rate by 380 basis points.

Anwar said an aggressive hike in OPR would impact businesses, therefore a balance must be struck.

He said the government had also pared down the fiscal deficit gradually, to avoid any rapid and harsh measures which might end up affecting development projects.

He was responding to Radzi's question on the impact of the devaluation of the ringgit on the country's economic recovery and the approach taken to strengthen the local note.