

New subsidies 'complex'

Anwar: Targeted approach will take time to fully implement

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KUALA LUMPUR: The formulation of the targeted subsidy mechanism is a complex undertaking and its implementation is no walk in the park, says Datuk Seri Anwar Ibrahim.

"There is a team working on it now and there have been some proposals. But we are not too convinced in terms of its effectiveness after the implementation because it is very complex.

"With electricity, you can identify the house or factory, so it is okay. (But) for diesel, sometimes it is the driver driving, or sometimes they use different cars by changing to small cars or big (expensive) cars.

"A targeted subsidy means it is for the people who need it, not for the very rich.

"For example, subsidies for the haj and electricity benefit even the rich, when they should ideally go to the deserving lot," he told the press here yesterday.

Earlier, Anwar had a friendly session with traders, hawkers and patrons at Pusat Penjaja Madani in Jalan Tunku Abdul Rahman.

When asked about the timeline for the implementation of targeted subsidies, Anwar said he did not want to make any promises but the government was working on it as fast as possible.

"It is not a simple thing. If the mechanism is ready, the government is willing to roll it out tomorrow."

Earlier this week, Economy

Minister Rafizi Ramli said discussions between his ministry and the National Economic Action Council had started, with a focus on the type of aid to be provided under the new targeted subsidy approach.

Deputy Finance Minister Datuk Seri Ahmad Maslan recently said the implementation framework for targeted subsidies was currently 75% complete.

He added that the government spent more than RM50bil last year on blanket fuel subsidies.