

NO SUBSIDY FOR HOMES GUZZLING POWER

90 per cent of consumers will not be affected by revised electricity rates, says Anwar

HAZWAN FAISAL MOHAMAD
PUTRAJAYA
news@nst.com.my

Households with high electricity consumption will no longer enjoy power subsidies, said Prime Minister Datuk Seri Anwar Ibrahim.

He said these households should pay the actual cost of electricity.

“It needs to be understood that there will be no increase for 90 per cent of the people, but there will be a tariff increase for households that use excessive electric-



Homes that use a lot of electricity should pay for the cost of power generation, says Prime Minister Datuk Seri Anwar Ibrahim. FILE PIC

ity, such as multiple air conditioners,” he said after chairing the National Economic Action Council meeting.

Present was Economy Minister Rafizi Ramli.

Anwar did not state when the

electricity rates Would be adjusted or the threshold for high power consumption.

In early March, Natural Resources, Environment and Climate Change Minister Nik Nazmi Nik Ahmad said the government

had allocated RM10.76 billion to subsidise domestic and non-domestic electricity consumers in the low-voltage category from Jan 1 to June 30.

This included micro, small and medium enterprises (MSMEs), restaurants, shops, small workshops, farmers, breeders and smallholders.

“This means that 9.5 million electricity users, or 99 per cent of users in the peninsula, will not be affected by the increase in fuel costs for electricity generation,” Nik Nazmi had said during the winding-up debate on the Supply Bill 2023 in the Dewan Rakyat.

He had also said electricity tariffs were reviewed every six months through the Imbalance Cost Pass-Through mechanism, which took into account fuel and other generation costs for the previous six months.

Anwar said the diesel subsidy system would be improved with a “fleet card” mechanism to enable the use of the fuel to be

monitored.

Anwar said diesel subsidies jumped to RM13 billion last year.

He said while diesel consumption had jumped 37.7 per cent to 8.4 billion litres last year from 6.1 billion litres in 2019, the number of diesel vehicles had increased only 2.4 per cent to 2.13 million from 2.08 million in 2019.

“So there is a problem about misuse, smuggling and leakage. This is a leakage of RM10 billion. The subsidy on diesel will continue but it must be through the fleet card. This way we can see who uses it and not taking diesel to sell to factories, as is happening now,” he said.

Anwar said the government was also discussing what types of vehicles would enjoy the diesel subsidy.

“We want to determine who is eligible to get subsidised diesel. We don’t want taxpayers’ money to be used by cartels, such as the cooking oil cartels, for the benefit of a few,” he said.