

Cash, instead of price controls

Govt to widen direct aid programme amid rising food costs, says Anwar

By TARENCE TAN,
RAGANANTHINI
VETHASALAM and
TEH ATHIRA YUSOF
newsdesk@thestar.com.my

KUALA LUMPUR: To address potential price increases following the lifting of temporary price controls on chicken and eggs, Putrajaya is considering aiding affected Malaysians via cash transfers, says Prime Minister Datuk Seri Anwar Ibrahim.

The proposed cash transfers to Malaysians is being considered and it might be announced," he said during the weekly Prime Minister's Question Time (PMQT) in Parliament here yesterday.

He was responding to Datuk Mohd Shahar Abdullah (BN-Paya

Besar), who had asked whether the government would consider helping Malaysians via cash transfers instead of channelling subsidies to companies, which could lead to wastage.

Anwar said the cash transfer proposal is a good suggestion, but the aid cannot be given to all Malaysians and companies.

He also said the government has a policy to help those who are vulnerable and the principle behind subsidies is centred on welfare aid.

"Subsidies should be returned to the people and it essentially means aid. It will not be possible for us to give aid to foreigners and the rich," he added.

Anwar said the government could increase allocations to the

Rahmah Cash Aid (STR) scheme to help Malaysians who could be affected by food price increases.

"That is why for November and next year, I have increased STR allocations from RM8bil to RM10bil, taking into account the challenges faced by the people.

"So, it is untrue that we do not care," he said.

Anwar added that the previous price control mechanism was among the reasons why companies didn't want to invest in chicken and egg production.

"If we leave it to the market, I think this will convince companies to invest.

"We must ensure a balance in this issue - if we continue with the current policies, there will be no new investments, because

investors are saying that they don't know how the government will intervene (in setting prices)," he said.

Earlier, Datuk Rosol Wahid (PN-Hulu Terengganu) asked Anwar to elaborate on measures by the government to ensure that Malaysians will not be burdened by potential price increases after it decided to do away with the price control mechanism for chicken and eggs.

Anwar said subsidies for chicken and eggs since February last year reached RM3.7bil.

"The current approach is also benefiting 3.5 million foreigners.

"In this context, how do we ensure the RM3.7bil is benefitting qualified Malaysians, (and not) the 10% of the richest and 3.5 mil-

lion foreigners?"

"Therefore, our approach now is that looking at current market prices, if the price is lower than the ceiling price, while chicken and eggs in Thailand are far cheaper than in Malaysia, therefore this is the time for us to float the prices.

"If there is a shortage, we will supplement from the stockpile. The Agriculture and Food Security Ministry has 3% of the chicken and egg stock and I have instructed the minister to buy from Thailand if needed," he added.

On Friday, during the tabling of Budget 2024, Anwar said the temporary ceiling price imposed on chicken and eggs will be lifted to allow market forces to ensure supply.