

Subsidies continue

PUTRAJAYA: Prime Minister Datuk Seri Anwar Ibrahim said the government will continue providing subsidies to the people in Budget 2024.

However, he emphasised that subsidies need to be targeted to avoid leakage and to ensure they only benefit deserving groups.

Anwar, who is also finance minister, said this was because at present, the super-rich and 3.5 million foreigners in the country were also enjoying the benefits of government subsidies.

"The government has been providing RM81 billion in subsidies, the highest in the world. Although I was often criticised for the statement promising that "the day we come to power, the following day fuel prices will drop" it is a different context because at the time, the oil price in Saudi Arabia was 50 sen, and now it's RM2.85 there while here, it's RM2.05.

> Assistance to be targeted to avoid leakage and ensure only deserving groups benefit: Anwar

"The subsidies for fuel, chicken and electricity are also enjoyed by 3.5 million foreigners and 10% of the super-rich, and this does not include those smuggled out.

"Hence, proper planning needs to be done to prevent leakage," he said at the monthly assembly with staff of the Prime Minister's Department yesterday.

Citing the diesel subsidy as an example, Anwar said there is a need for a policy to address subsidy leakage because the government found that the number of vehicles has not shown an

increase as significant as the increase in diesel consumption.

"This means that diesel is being taken out (smuggled) ... that's why we are improving the policies on diesel subsidy."

Anwar also said the early incentive payment of RM2,000 for civil servants in Grade 56 and below as announced in Budget 2024 is a form of recognition for the services of civil servants.

He said the incentive payment is pending review of the Public Service Remuneration System (SSPA), and signalled that the

government is paying serious attention to the wage rate of the 1.6 million civil servants in the country, Bernama reported.

"It is not reasonable to expect better performance and higher productivity, but no increase in the wage rate.

"If we look at a study by the Statistics Department, there is an increase in productivity, but the increase in wages is moderate. There is no encouragement," said Anwar.

He hoped employers in the private sector would make a similar move, taking into account the current economic factors.

On the review of SSPA, he said he wanted it to be completed before the middle of next year so that the outcome could be shared during the tabling of Budget 2025.