No RON95 subsidy rationalisation for now, says Anwar

KUALA LUMPUR: The rationalisation of RON95 subsidy remains off the table for now, as the government wants to ensure the public fully understands the implementation of targeted diesel subsidies, says Datuk Seri Anwar Ibrahim.

"The matter has not been discussed. We will deal with the diesel issue first, to give better and the right explanation.

"This is necessary because sometimes, certain parties will spin the issue," he told reporters on the sidelines of the National Tax Conference 2024 yesterday.

The Prime Minister said rationalisation of fuel subsidies was necessary to balance the need between increasing government revenue and paying off national debt.

Explaining further, Anwar, who is also Finance Minister, said various measures were being taken to boost government revenue, including prudent spending and borrowing only when necessary for development purposes.

He said rationalisation of subsidies was a comprehensive effort and initiative covering a broader spectrum to help reduce the government's yearly borrowings.

"Other efforts include more efficient manner of enforcing the law and taxation efforts.

"If we don't do it, our revenue will not increase, but our debt will continue to rise," he said.

In May, Anwar announced the rationalisation of diesel subsidies for Peninsular Malaysia, which took effect on June 10.

Sabah and Sarawak are not effected by the move and the price remains at the subsidised rate of RM2.15.

To prevent drastic increases in the cost of goods and services, subsidies are given to traders using diesel-powered commercial vehicles.

This involves 10 public transportation vehicles and 23 goods transport vehicles.

Eligible groups such as private diesel vehicle owners, farmers and smallholders can apply for a RM200 monthly cash subsidy under the Budi Madani initiative.