

Unpopular move is needed

Targeted subsidies necessary to save country, says Anwar

Government policy: Anwar greeting civil servants during the monthly address of the Prime Minister's Department in Putrajaya. Also present is Deputy Prime Minister Datuk Seri Dr Ahmad Hamidi (top left).
— Bernama



PUTRAJAYA: Despite its unpopularity, targeted diesel subsidies are needed to save the country, says Datuk Seri Anwar Ibrahim.

In fact, the Prime Minister said previous administrations had even agreed that such a policy was necessary, but they did not carry it out because of the political risk.

"Who wants this targeted subsidy? We must know that whatever we do, we will be severely criticised with all sorts of slander and lies," Anwar told civil servants during the monthly address of the Prime Minister's Department.

"In fact, we have said that all prime ministers before this had agreed to the targeted subsidy, but there was no political will to implement it because of the risks

involved. However, to save the country, we have no choice," said Anwar, who is also Finance Minister.

Beginning this week, the price of diesel at the pump in Peninsular Malaysia will be floated and set every week based on global market prices after the government removed blanket subsidies.

Domestic Trade and Cost of Living Minister Datuk Armizan Ali previously said blanket subsidies for diesel cost Malaysia losses of RM4.5mil per day as the subsidised fuel is smuggled out of the country.

By moving to a targeted subsidy system, the government hopes to save RM4bil per year.

The diesel price this week is set at RM3.35 per litre based on the

Automatic Pricing Mechanism formula, said Finance Minister II Datuk Seri Amir Hamzah Azizan.

Prices for the fuel in Sabah, Sarawak and Labuan will remain at the subsidised price of RM2.15 per litre.

Subsidies that were removed at the pump are being redistributed to selected groups that include logistics companies, emergency vehicles, school and public bus firms, farmers, and fishermen.

Goods and logistic vehicles are still entitled to subsidised diesel at RM2.15 per litre through a fleet card scheme called the Subsidised Diesel Regulation System Pilot Project (SKDS 2.0).

Under SKDS 1.0, which is for vehicles such as ambulances, fire

engines, public transport and school buses, the price of diesel is still subsidised at RM1.88 per litre.

At the same time, farmers, small-scale commodity planters and others in the agriculture sector who use diesel are eligible to apply for RM200 in cash subsidies per month under the Bumi Madani scheme.

Coastal fishermen can also still buy diesel at the subsidised price of RM1.65 per litre at selected jetties.