

PM: Borneo states' dependence may exempt them from cut

By SHARON LING
sharonling@thestar.com.my

KUCHING: The diesel subsidy rationalisation may not be possible in Sabah and Sarawak due to widespread use of the fuel in both states, says Prime Minister Datuk Seri Anwar Ibrahim.

He said the Federal Government initially exempted the Borneo states from the rationalisation exercise as many people depended on diesel for their boats and vehicles.

"So we deferred the rationalisation, and it may be difficult to implement because too many people use diesel.

"We implemented it in Peninsular Malaysia although it was a little controversial. But not many vehicles use diesel in the peninsula and we still give subsidies to school buses, fishermen and farmers," he said at the state Gawai dinner here on Saturday night.

The price of diesel was floated in Peninsular Malaysia according to the unsubsidised market rate effective June 10.

In Sabah, Sarawak and Labuan, the diesel price remains at the subsidised rate of RM2.15 per litre.

Anwar said some peninsular politicians had criticised the deci-



How do you do: Anwar shaking hands with a Bidayuh 'ring lady' at the Sarawak state Gawai dinner at the Borneo Convention Centre Kuching.
- ZULAZHAR SHEBLEE/The Star

sion to exempt the Borneo states from the rationalisation exercise.

"To the critics, I invite them to come to Sarawak and Sabah and understand the situation in both states.

"The exemption was not done because the states demanded it but because we understand the

situation," he said.

Moving forward, Anwar said the government would ensure that subsidies would go to deserving Malaysian citizens in the B40 and M40 categories.

He said the rationalisation of subsidies would also improve Malaysia's competitiveness.

On another matter, Anwar said the Federal Government will reimburse RM100mil to Sarawak immediately for the upgrading of dilapidated schools and clinics in the state.

"On Monday I will instruct the Finance Ministry to approve the funds so that they can be used

without any problems.

"Otherwise, every time I meet the Premier (Tan Sri Abang Johari Openg), he will ask about settling debts," he quipped.

Anwar, who is also Finance Minister, was responding to Abang Johari's announcement that the state government had set aside RM200mil to implement upgrading projects for dilapidated schools and clinics.

This comes after the federal and state governments agreed earlier this year for Sarawak to provide initial financing for federal projects to speed up their implementation, while Putrajaya will reimburse the expenses later.

In his speech, Abang Johari thanked Anwar for agreeing to the collaboration between the federal and state governments to expedite the implementation of federal projects, particularly upgrading schools and clinics, with initial funding from the state.

He said the state government is allocating RM100mil for dilapidated schools and another RM100mil for dilapidated clinics.

"The projects are to be implemented within 18 months.

"This is a good collaboration that will bring positive results in rural development," Abang Johari said.