

# Targeted diesel subsidy vital to save country, says Anwar

> All former prime ministers agreed on need for scheme but lacked political will to implement it because of risks due to unpopular measure'

**PUTRAJAYA:** The government's decision to implement targeted diesel subsidies is necessary to save the country, said Prime Minister Datuk Seri Anwar Ibrahim.

Speaking at the monthly assembly of staff of the Prime Minister's Department yesterday, he said action must be taken although it is considered as an unpopular measure.

"Who wants this targeted subsidy? We must also know that whatever we do, we will be severely criticised with all sorts of slander and lies.

"In fact, we have said that all prime ministers before this had agreed on 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 the finance minister.

The government had announced on Sunday that the price of diesel at all retail stations in Peninsular Malaysia would be set at RM3.35 per litre starting from 12.01am yesterday.

Finance Minister II Datuk Seri Amir Hamzah Azizan, when announcing the matter, said it is the market price without subsidy, based on the average for May 2024 according to the Automatic Pricing Mechanism formula.

He said the implementation of the diesel price float and targeted subsidies could provide savings of RM4 billion annually and strengthen the country's financial position in the long term.

Amir Hamzah said the move is to ensure that diesel subsidies benefit only those eligible, and to stop leakages which have resulted in a loss for the people and the country.

He said the subsidy rationalisation does not affect consumers in Sabah and Sarawak.

Amir Hamzah said the diesel price would be announced every week according to the current practice of the Finance Ministry and the government would continue to monitor the situation to avoid price instability.

He said diesel subsidy had increased 10-fold from RM1.4 billion in 2019 to over RM14.3 billion in 2023.

He added that with the huge amount spent by the government on diesel subsidy, the

**BUDI MADANI**

**INDIVIDUAL BUDI**

**Individual diesel vehicle owners**  
Cash assistance of RM200 per month is provided to eligible individual diesel vehicle owners.

**Applicant Eligibility**

- Malaysian citizen
- Annual income of individual or spouse RM100,000 and below based on LHDN data

**AGRI-COMMODITY BUDI**

**Farmers and smallholders**  
Cash assistance of RM200 per month is given to farmers, livestock breeders, and small commodity farmers registered with the relevant Ministry agencies.

**Applicant Eligibility**

- Specifically for small farmers (Crops, Aquaculture, and Livestock) and smallholders (Palm Oil, Rubber, Cocoa, Pepper, and Kenaf) in Peninsular Malaysia
- Registered with the Ministry of Agriculture and Food Security (KPKM) or the Ministry of Plantation and Commodities (KPK)

**MYSUBSIDI DIESEL BUDI**

**Land transportation**  
The Subsidised Diesel Control System (SKDS) is a dedicated platform for selected public vehicles and goods transportation to directly receive diesel subsidies through fleet card.

**Applicant Eligibility**

- The vehicle owner, whether an individual or a representative for a company (at least Executive level), can deal with KPDM
- Subject to eligible vehicle types only
- 'Runners' are not allowed to deal with KPDM
- New Applications/Additional Vehicles/Change of Oil Company can be made online through the portal [<https://mysubsidi.kpdn.gov.my>] (<https://mysubsidi.kpdn.gov.my>)

Applications can be made online at the BUDI MADANI website  
<https://budimadani.gov.my>

diesel retail price in Malaysia is among the lowest in the world, Bernama reported.

For the record, diesel was sold at four different prices in Malaysia, and according to subsidy, RM1.65 for fishermen, RM1.88 for land public transport and RM2.15 for commercial and private vehicles. Unsubsidised market price for the commercial sector reached RM3.60 earlier this year.

"At the same time, it is priced higher in neighbouring countries. It is about RM4 in Thailand, RM4.50 in Indonesia and almost

RM9 in Singapore. This situation invites smuggling to neighbouring countries and misappropriation in commercial sectors that are not eligible to use subsidised diesel.

"From the amount the government saves, more resources can be channelled to other critical sectors which will directly improve the people's quality of life, including public infrastructure, healthcare and education."

He said through the targeted subsidy, smuggling and misappropriation of diesel would no longer be lucrative activities, which would then, logically, be reduced drastically.