

Targeted diesel subsidy savings to benefit people

> RM4 billion saved annually to be used mainly to improve public transport, Rahmah Cash Aid and not for increasing ministerial allowances or other interests, says Anwar

PUTRAJAYA: Prime Minister Datuk Seri Anwar Ibrahim has said that the savings from targeted diesel subsidies will be redirected to the people, particularly through improved public transport and Rahmah Cash Aid.

Acknowledging that the targeted subsidy is not a popular move, Anwar, who is also finance minister, said the measure would result in savings of RM4 billion annually and has undergone thorough research at numerous levels before being implemented.

"The savings will support public transport needs.

"Imagine the Rahmah cash contribution for nine million recipients of direct cash subsidy, which amounts to RM10 billion. The funds from the targeted subsidy are not for increasing ministerial allowances or other interests. I focus on assisting the people," he said during a gathering of Finance Ministry staff yesterday.

The price of diesel at all retail stations in the Peninsular was set at RM3.35 per litre starting on

Monday, which is the unsubsidised market price based on the average for May 2024, according to the Automatic Price Mechanism formula.

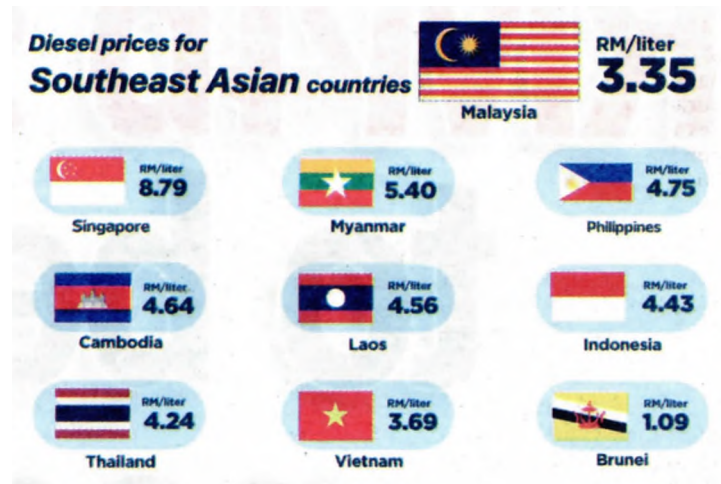
Previously, Finance Minister II Datuk Seri Amir Hamzah Azizan had said diesel prices would be announced weekly following the current practice of the Finance Ministry, with the government continuing to monitor the situation to avoid price instability.

He said the targeted subsidy does not involve Sabah and Sarawak.

Meanwhile, Anwar emphasised that the targeted diesel subsidy was implemented to ensure it did not benefit the very wealthy and foreigners.

"I told the Cabinet we need to make wise decisions, and that we must assist the majority of the people. We should not provide subsidies to the very wealthy, large industries and foreigners.

"(This) is not discrimination against foreigners because foreigners do not pay taxes, and the



* Prices are sourced from (<https://www.globalpetrolprices.com>) and updated as of June 3, 2024. The prices for Malaysia and Brunei (<https://www.bsm.com.bn>) are the most recent.

levy (they pay) is very little. Our main responsibility is to our citizens."

He said the implementation of targeted diesel subsidy has been well received by parties within the unity government and some opposition parties as well.

"So far, the statements from PAS leaders seem rather moderate, not

opposing but merely monitoring. There are no issues because the Opposition should monitor the implementation, and so should we.

"The subsidy is maintained for fishermen, public transport and around 30,000 smallholders, including vegetable farmers in Cameron Highlands, because we do not want it to be used as an excuse to raise prices."

He said the government has undertaken three targeted subsidy rationalisation measures, namely electricity tariffs, floating chicken prices and the recent implementation of targeted diesel subsidies, all of which are anticipated to result in savings of approximately RM10 billion annually, Bernama reported.

"This is the third-largest step, the first being electricity tariffs, which was less controversial because it benefitted 85% of the population, only affected the top 15% and foreigners, saving us RM4.5 billion annually.

"We saved RM1.2 billion (with the floating of chicken prices). Meaning, political stability and firm political determination are important.

"That is why I always link it to governance. Stop corruption, because it helps us."



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Anwar stressing a point at the gathering in Putrajaya yesterday.
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