

ONLY IN PENINSULA

TARGETED FUEL SUBSIDY STARTS WITH DIESEL

Move is projected to save govt RM4 billion a year, says Anwar in special address

NOR AIN MOHAMED RADHI
KUALA LUMPUR
news@nst.com.my

THE cabinet has agreed to implement targeted subsidies on fuel starting with diesel, which is pro-

jected to save the country RM4 billion annually, said Prime Minister Datuk Seri Anwar Ibrahim. He said a targeted subsidy on RON95 petrol would follow.

He said the targeted diesel subsidy would apply only in Peninsular Malaysia and not in Sabah and Sarawak.

“Those that will not benefit from the subsidy rationalisation are the T20 and foreigners,” said Anwar in a national address broadcast live on Tuesday night.

He said to mitigate sudden increases in the prices of goods and services, the government would continue subsidising diesel for traders.

“This includes 10 types of public transport vehicles and 23 types of goods transport vehicles under the Subsidised Diesel Control System, including bus operators and taxis.

“Additionally, certain categories of fishermen will also receive diesel subsidies,” he said.

Anwar said the government was committed to preserving the people’s welfare amid rising living costs.

“The government has agreed to provide cash assistance to individuals owning eligible diesel vehicles, including small farmers, rice farmers, and small traders. This cash assistance will not benefit the T20 group.”

Anwar said the targeted subsidy would save the government about RM4 billion annually.

“It’s important to note that the targeted fuel subsidy is not a complete withdrawal, as suggested by some.

“Rather, it is necessary to restructure public finances. Similar to targeted water and electricity subsidies, the majority of the population will not be affected by this adjustment and will contin-

ue benefiting from government subsidies.”

On national security, Anwar promised firm action to tackle extremist groups and provocateurs compromising national security.

He said police and other security agencies had held a meeting to discuss the matter.

“For the past few weeks, the country has been shocked by several incidents of violence that have claimed the lives of security personnel and the actions of extremist groups inciting unrest.

“I want to assure you that I have held meetings with the security forces and that we will act firmly against these groups.

“God willing, the situation will become calmer and more controlled.”

Two policemen were killed and another wounded in a predawn attack by a masked intruder on the Ulu Tiram police station in Johor last Friday.

Later that day, two men were arrested when they tried to trespass into Istana Negara. A parang was found in their vehicle.

Anwar said the government was serious about getting the private sector to implement the progressive wage policy, in line with the improved salaries and allowances of the civil service.

Anwar had announced on May 1 that civil service remuneration would be increased by 13 per cent and would take effect in December.

He said the review of the Public Service Remuneration System sent a clear message to the private sector not to prioritise high profits at the expense of employees.

“This is because young people and graduates are asking about their future in the private sector. Hence, the progressive wage policy is introduced.”

He said efforts were being taken to support the economy and enhance the skills of local talent so that wages would be more reasonable.

He said this included improving the business ecosystem to

8 KEY POINTS OF THE PRIME MINISTER'S ADDRESS



1 TARGETED SUBSIDIES:

- Targeted fuel subsidies to start with diesel in Peninsular

Malaysia.

- The government estimates to save RM4 billion annually from the targeted diesel subsidy.
- Cash assistance to eligible diesel vehicle owners.



2 NATIONAL SECURITY:

- Strict action will be taken against perpetrators of

attacks, extremism and acts of violence.

- Security forces give assurance calm will return after attacks.



3 GOOD GOVERNANCE:

- The government will not interfere in the judicial process,

and police and the Malaysian Anti-Corruption Commission (MACC) will have space to combat corruption and prevent

revenue leakage.

- Corruption is identified as the ‘main cancer’ afflicting the people and country.



4 PROGRESSIVE WAGE POLICY:

- The government is serious about drafting a

Progressive Wage Policy involving the private sector.

- Review of the Public Service Remuneration System sends a clear message to the private sector not to prioritise high profits at the expense of employees.



5 ECONOMY:

- Malaysia’s economy recorded an unexpected growth of 4.2 per cent in the first quarter of 2024.



6 INVESTMENT:

- As of March 2024, the country attracted RM76.1 billion in potential

foreign investments, including from the United States and China, as well as from Australia (RM24.5 billion), and Germany and France (RM46 billion).



7 POVERTY ERADICATION:

- The Madani Economic Aspirations aim to raise the

people’s standard of living and restructure the economy to position Malaysia as a leader in Asia.



8 BUSINESS ECOSYSTEM IMPROVEMENT:

- Khazanah Nasional Bhd’s RM1 billion fund

to nurture new entrepreneurs in high-growth sectors.

- The business ecosystem is being expanded and improved, including the electrical and electronics cluster in the northern region and the development of the Johor-Singapore Special Economic Zone.

support new, competitive and high-value industries so that investments in the local economy could be increased, leading to a rise in wages.

He said local industries, particularly the semiconductor sector, were being given added value, adding that the new industrial master plan aimed to increase the minimum monthly income of manufacturing workers to RM4,500 by 2030.

Anwar said to develop the skills of youths, the government was collaborating with industry giants to restructure the country’s technical and vocational education and training.

“Artificial intelligence (AI) is also being prioritised through the establishment of the country’s first AI Faculty at Universiti Teknologi Malaysia with networks with all AI disciplines nationwide, science centres and universities,” he said.

He said Khazanah Nasional Bhd was also driving efforts to create new entrepreneurs in high-growth sectors with an RM1 billion fund.

Anwar said up to March, Malaysia had attracted RM76.1 billion in potential foreign investments.

The amount includes investments from the United States and China, as well as from Australia (RM24.5 billion), and Germany and France (RM46 billion).

Anwar said the People’s Income Initiative in collaboration with state governments had shown progress.