

'HIKE ONLY FOR INDUSTRIES, ULTRA-RICH'

85pc of population will not be affected, says PM

KUALA LUMPUR

PRIME Minister Datuk Seri Anwar Ibrahim has reiterated that the electricity tariff increase will only affect industries and will be implemented under the Imbalance Cost Pass-Through (ICPT) mechanism in July.

He said 85 per cent of the population would not be affected.

Responding to a supplementary question from Wan Ahmad Fayhsal Wan Ahmad Kamal (PN-Machang), who accused the government of a "flip-flop" on the tariff hike, Anwar said he had made it clear that the increase would not affect the majority of the population.

Anwar said the tariff adjustment he mentioned at an event on Monday was in response to Associated Chinese Chambers of Commerce and Industry of Malaysia president Datuk Ng Yih Pyng's call for the tariff to not be increased up to 14 per cent, which meant he was talking about businesses.

"I was responding to his request. Do you understand? Not to the nation, not to the people.

"I also said the increase would not reach 14 per cent as reported, meaning my response was directed at industries because this tar-

iff hike applies to industries and the ultra-rich.

"If we don't tax the wealthy, where will the money come from to increase allocations for schools and hospitals?

"So we must accept this reality — a reasonable tariff increase for industries and the wealthy. And I have said that we will not compromise and have to proceed with the hike, but it will not affect 85 per cent of the people," he said during the Prime Minister's Question Time in the Dewan Rakyat.

On Monday, Anwar gave his assurance that any increase in electricity tariffs will not burden the business community and that 85 per cent of the population will continue to receive subsidies.

Anwar, who is finance minister, said any increase in electricity tariffs in the second half of the year will not be burdensome or detrimental to the business community.

Currently, the government provides electricity subsidies to over 85 per cent of the population.

The basic electricity tariff in Malaysia is set by the Energy Commission under the Incentive-Based Regulation framework and is reviewed every three years. In addition to the basic tariff, there is the ICPT mechanism, which is reviewed every six months.

The ICPT adjusts electricity rates based on actual changes in fuel costs.

The next tariff review is scheduled for July this year.