

Power tariff hike will not affect 85% of population: PM

> Increase only applies to industries and super rich, in accordance with Imbalance Cost Pass-Through mechanism

KUALA LUMPUR: The electricity tariff hike, set to be implemented from July 1, will not affect 85% of the population, said Prime Minister Datuk Seri Anwar Ibrahim.

He said the hike would only apply to industries and the super rich, in accordance with the Imbalance Cost Pass-Through (ICPT) mechanism.

Anwar said the hike, which is less than 14%, is reasonable as it is part of government efforts to allocate more funds for development such as schools, hospitals and other programmes of public interest.

"The move to increase electricity tariffs for industries and the super rich is something we insist upon because if we don't tax these groups, how can we increase allocations for schools and hospitals? We have to accept the reality of a reasonable tariff hike for industries and the super rich.

"I told the business community yesterday, we will not compromise. We have to increase the tariffs, but it will not affect 85% of the population. So listen carefully, but not with angry sentiments."

He was replying to a question from Wan Ahmad Fayhsal Wan Ahmad (PN-Machang) in the Dewan Rakyat yesterday.

Anwar also rejected Wan Ahmad's notion of an unpredictable or "flip-flop" economy, describing the opposition MP's claims as not based on factual data, Bernama reported.

"The economy is not a show, it is based on facts. The fact is that our investments have increased significantly compared with (the time under) previous prime ministers.



Anwar stressing a point in the Dewan Rakyat yesterday. - **BERNAMAPIC**

"The fact is that our growth rate is encouraging. The fact is that the ringgit is still strengthening despite uncertain geopolitical conditions and tariffs imposed by other countries. Those are the facts, not lies, and we should know the difference."

Currently, the government provides electricity subsidies to over 85% of households. The basic electricity tariff 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.