



Prime Minister Datuk Seri Anwar Ibrahim leaving after Friday prayers at Masjid Jamek Raja Tun Uda in Seksyen 16, Shah Alam, yesterday. Anwar says only foreigners and the extremely wealthy will be affected by the RON95 subsidy rationalisation. NSTP PIC BY EIZAIRI SHAMSUDIN

FUEL SUBSIDY RATIONALISATION

'90pc NOT AFFECTED BY RON95 SUBSIDY PLAN'

No matter the mechanism, ordinary citizens need not worry, says PM

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THE vast majority of Malaysians will not be affected by the RON95 fuel subsidy rationalisation, said Prime Minister Datuk Seri Anwar Ibrahim.

He said 90 per cent of the population would be able to enjoy the subsidy, up from the 85 per cent announced previously.

"I don't believe ordinary citizens need to worry or will be impacted, regardless of the methods introduced in the RON95 subsidy rationalisation.

"Do not pay attention to rumours. During the fasting month, concerns have grown about electricity tariff increases.

"I want to reassure everyone that such increases will only af-

fect the wealthy."

"The same applies to RON95. Our study shows it is not 85 per cent, but 90 per cent of the population who will remain unaffected. Those who will be impacted are foreigners and the extremely wealthy.

"If someone earns RM50,000 a month, they should be expected to contribute a little more."

Anwar, who is finance minister, said this after performing Friday prayers at Masjid Jamek Raja Tun Uda in Seksyen 16 here.

On Thursday, Finance Minister II Datuk Seri Amir Hamzah Azizan said the government would announce the mechanism for the RON95 subsidy rationalisation in the second half of the year.

He did not announce any details, but he said the mechanism would use the MyKad.

He said this decision was made after the government saw how successful the Sumbangan Asas Rahmah (Sara) aid programme was.

He said the mechanism was being refined and the government did not want to announce something still in the works, as the most important thing was to ensure the system was robust.

"We will use a two-tier pricing system, with both subsidised and non-subsidised prices," he said.

The Sara aid is credited into recipients' MyKad every month.

It is still unclear whether the RON95 subsidy will also be credited into MyKad.

Last October, Anwar said the rich and foreigners were enjoying RON95 subsidy and this was not sustainable.

"I need to remind everyone that it is better for this RM8 billion to be channelled into education, healthcare and public transport."

Last June, the government rolled out a targeted diesel subsidy plan for the peninsula.

Subsidies were maintained for the logistics sector, land public transport sector and fishermen.

In January, Amir Hamzah said the government estimated that the diesel subsidy plan could yield RM7.2 billion to RM7.5 billion in savings, mainly through reducing leakages.

He said this was 80 per cent more than initially estimated.

The programme led to a significant drop in diesel smuggling, especially in states close to international borders.