

Najib : Gov't cannot stop subsidy leaks

Free Malaysia Today

11 March 2014

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KUALA LUMPUR: Prime Minister Najib Tun Razak today admitted that the government can do nothing to stem blanket subsidy leaks which has seen foreigners taking advantage of reduced prices in petrol, gas and other subsidised goods.

“Blanket subsidies will always lead to leakages...it happens in all countries. No matter how much we spend on enforcement, we cannot stop leaks completely because it brings great profit. People will think of all the loopholes,” Najib told the Dewan Rakyat this morning.

He was responding to a supplementary question from Abdul Ghapur Salleh (BN-Kalabakan), who asked whether the government would form a committee to monitor and report on foreigners smuggling subsidised goods out of the country.

Abdul Ghapur said citizens in Sabah were unable to “taste” subsidised goods as it was being monopolised by foreigners due to lack of enforcement.

“Even if we increase the number of enforcement officers, this will still continue. That’s why we have to move from blanket subsidies to targeted subsidies. This will ensure that the people who reap the subsidy benefits are Malaysians, not tourists or foreigners,” Najib responded.

“We can improve on BR1M (1 Malaysia cash vouchers), which will save billions of ringgit in the rakyat’s money.”

Earlier, Najib had said that the move from blanket subsidies to targeted subsidies, which was part of their “subsidy rationalisation” plan, would be gradual and have little impact on the rise of the cost of living.

The government, in its effort to abolish subsidies, had last year slashed fuel subsidies and abolished sugar subsidies altogether, a move that had economists warning the rakyat to tighten their belts for 2014.

But Najib explained that the government had channeled the surplus funds to initiatives such as the BR1M, which would not only reduce the country’s fiscal deficit, but help those who truly needed government financial aid.

“We are constantly restructuring the aid or programmes in accordance to the rakyat’s needs, so that groups who need it or are targeted will feel the benefits,” he said, in response to a parliamentary question from Bung Mokhtar Radin (BN-Kinabatangan).

Najib said that the government had taken seven steps to cushion the blow on consumers, including distributing BR1M; allocating RM40 billion on subsidies, incentives and aid; forming a committee to handle the cost of living increase; and cooperating with hypermarkets.

“Overall, all the aid and programmes the government has given will hopefully help the rakyat to manage the rising cost of living,” said Najib.

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Source: <http://www.freemalaysiatoday.com/category/nation/2014/03/11/najib-govt-cannot-stop-subsidy-leaks/>