

PM: RM77b spent on subsidies this year

THE government has spent more than RM77 billion on subsidies this year, more than double the original RM31 billion allocation for 2022, the Dewan Rakyat heard yesterday.

Prime Minister Datuk Seri Ismail Sabri Yaakob said the subsidies included those for cooking oil, wheat, liquefied petroleum gas, diesel, RON95 petrol and electricity tariffs.

The subsidy, he said, enabled the government to keep the inflation rate at 2.8 per cent.

“This is the lowest in Southeast Asia, or maybe the world. If subsidies were not given, our inflation rate could climb to eight to 11

per cent,” he said.

He said neighbouring countries had higher inflation rates, adding that the rate in Thailand was 7.7 per cent, 5.6 per cent in Singapore and 4.4 per cent in Indonesia.

“The government has spent more than RM77 billion to ensure people will not be severely affected by the increase in prices of goods.”

He said this in a reply to Datuk Seri Anwar Ibrahim (PKR-Port Dickson), who asked the PM to explain the measures being taken to address the rising cost of living and to ensure the prices of goods remained stable.

He said the government was

devising a targeted subsidy mechanism.

He said even those in the T20 income group and foreigners enjoyed the subsidies.

“There are many things that need to be put into detail.

“We are studying it. I agree with you (Anwar), and we will present the mechanism for the targeted subsidy here (in Parliament).”

In response, Anwar, who is opposition leader, claimed that the government was using a “conventional approach” to tackle the rising cost of living and was not ready to make structural changes.

He said the government should not talk only about subsidies, but

implement more holistic actions as well.

“For example, on the high cost of importing (food), that is because of the decreasing value of the ringgit. Is there any method being taken to strengthen the ringgit so that the cost of importing does not rise?”

“On the fuel subsidy, we can reduce the price of fuel if we take a targeted approach.

“On inflation, it depends how we look at it. No one believes that the (inflation) of food is at 2.8 per cent, or four or six per cent.

“I went to the Kerinchi market recently and the inflation was about eight per cent.”