

Minister says RON95 subsidy nearly RM100m a week at current oil price

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Datuk Seri Saifuddin Nasution is pictured at the Parliament lobby October 15, 2019. — Picture by Ahmad Zamzahuri

KUALA LUMPUR, Oct 15 — The price ceiling for RON95 petrol required a subsidy of almost RM100 million per week at the prevailing oil price, said Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail.

“Concerning the weekly cost to maintain the price of RON95 petrol at RM2.08 a litre, the Finance Ministry estimates an amount of RM99.76 million is needed to maintain the retail price of RON95,” he said during Question Time at the Dewan Rakyat this morning.

Saifuddin said the figure was drawn from the cost to subsidise pump prices for this week.

He was responding to Bandar Kuching MP Dr Kelvin Yii Lee Wuen who asked for the weekly amount spent to maintain the fuel subsidy.

The minister was also asked about the recently announced targeted petrol subsidy and the steps his ministry was taking to identify qualified recipients from the M40 bracket.

“Concerning the data, we are working in silos and looking after our own territories, where in the end we have to formulate the credible data ourselves.

“But for the M40 we have yet to ascertain credible data, and that is why we are asking for registrations to be done, where we will cross check the information with the Road Transport Department (JPJ) and the Inland Board Revenue.

“This ministry, in developing a database, we are also checking on the electric bills of 7.5 million people, where if in a period of six months their bills are below RM100, then we will make the assumption they are from the lower income groups,” he said in the Lower House this morning.

It was announced during last week’s Budget 2020 announcement that a targeted Petrol Subsidy Program would be introduced by the government beginning January 2020 that will see RM30 deposited into accounts of car owners and RM12 for motorcycle owners from the Bottom-40 income bracket.

