



Report: Targeted fuel subsidy delay due to recipient database, card system issues

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Putrajaya's postponement of its targeted fuel subsidy plan was caused by delays in registering middle-income earners (M40) and issues with subsidy card implementation.

According to a news portal's report today, the contractor engaged by the Finance Ministry (MOF) last year to carry out the registration exercise had not begun the process.

Quoting an unnamed source, The Malaysian Insight (TMI) said the contractor engaged by MOF in March last year will only start the registration this March.

"We can only do this for the B40 group but we can't do it for the M40 as they plan to use a card system for them.

"Furthermore, they haven't even begun the registration process," the source said, as quoted by the portal.

Besides the issue with the database of the subsidy recipients, a card system for the plan proposed by MOF called Kad95 had also been alleged as another cause for the postponement.

"Petrol station operators do not like what they know of the idea so far and are still waiting to meet the MOF for clarification," the report said, adding that TMI had sent questions to MOF and the company for comments.

Last year, the federal government announced that it would roll out two petrol subsidy programmes, each targeting the B40 and M40 groups.



The first plan is conducted under the Domestic Trade and Consumer Affairs Ministry (KPDNHEP), which will subsidise those who are receiving Bantuan Sara Hidup cash handouts RM30 a month if they own certain types of vehicles.

Another scheme is under the MOF, and involves the M40 group (RM4,000 monthly income and below) who will receive a K95 card that will entitle them to RON95 petrol subsidy of 30 sen per litre, capped at 100 litres for cars and 40 litres for motorcycles.

For either scheme, only cars with a 1600cc engine capacity or a car over 10 years old with an engine capacity above 1600cc are eligible.



As for motorbikes, only those with an engine capacity of 150cc and below or are over seven years old with an engine capacity of 150cc and above are eligible.

The programmes were supposed to kick-off on Jan 1 this year.

However, on Dec 30, KPDNHEP minister Saifuddin Nasution Ismail in a statement announced that the plan had been suspended indefinitely.

He said the government needed more time to brief the public on the scheme.

According to Saifuddin, more time was also needed for the M40 group to register as subsidy recipients. This was being handled by the Finance Ministry.

