

No B40 petrol subsidy programme in East Malaysia, says Saifuddin

Nicholas Chung -October 8, 2019 1:20 PM



KUALA LUMPUR: Domestic Trade and Consumer Affairs Minister Saifuddin Nasution Ismail says vehicle owners in East Malaysia and Labuan will not be eligible for the B40 petrol subsidy programme as consumption there is lower than in the peninsula.

However, he said the price of RON95 petrol in those areas will be capped at RM2.08 per litre, which is the subsidised rate. He also reiterated that the subsidy programme is meant to benefit those in the lower income group.

"If you're driving a luxury car, one full tank of petrol might cost you around RM200, while for a low-income individual to fill his Myvi could cost around RM60.

"In terms of a subsidy of three sen per litre, who gains more?The answer is obvious," he told reporters outside the Dewan Rakyat today.

The subsidy, which will be implemented on Jan 1 next year, will be capped at RM30 per month for cars and RM12 per month for motorcycles, and will be credited directly to the recipients' bank accounts every four months.

After the subsidy comes into force, the price of RON95 petrol in the peninsula will be floated based on the oil price in January with adjustments made in stages.

Saifuddin added that a drastic rise in prices would affect the economy and be detrimental to the people. Approximately 2.9 million people are expected to benefit from the subsidy scheme which will cost the government about RM65.4 million a month.