Ministry ready to start petrol subsidy programme

Govt is finding the best way to register middle 40% population

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KUALA LUMPUR: The Domestic Trade and Consumer Affairs Ministry is ready to implement the new subsidy programme which entails the floating of RON95 petrol and diesel pump prices, but is awaiting the greenlight from the Cabinet.

Minister Datuk Seri Saifuddin Nasution Ismail said the Finance Ministry is in the midst of finding the best way to register the middle 40% (M40) population who are eligible for the petrol subsidy programme (PSP).

According to him, both ministries had their first meeting on the matter in the first week of January.

"On our part, we have managed to identify 2.9 million recipients from the bottom 40% (B40) population. If you look into Budget 2020 announcement, the Finance Minister allocated RM2.4bil for the PSP and we are targeting eight million people to benefit from the programme.

"We are still fine-tuning the delivery mechanism and will come up with a better communication plan for the people to understand the PSP," he said.

Saifuddin, however, stopped short of saying when the new subsidy programme will come into force.

He spoke to reporters at the 2020 Malaysia Economic and Strategic Outlook Forum, jointly organised by the Kingsley Strategic Institute for Asia-Pacific, the Malaysian International Chamber of Commerce and Industry and the Economic Club of Kuala Lumpur.

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Datuk Seri Saifuddin Nasution Ismail

Meanwhile, at a separate panel discussion, Universiti Malaya's Faculty of Economics and Administration Prof Edmund Terence Gomez criticised Pakatan Harapan's first economic policy – the Shared Prosperity Vision (SPV) 2030 – labelling it as a continuation of the previous New Economic Policy (NEP) 1970-1990.

He said the 10-year economic policy was race-based in nature, although the ruling coalition had clearly stated in its manifesto the necessity to introduce need-based policies.

Gomez added that SPV continued to rely on the bumiputra-non-bumiputra dichotomy, similar to NEP.

"Not only that, the SPV did not mention the government-linked companies (GLCs) and the urgent need for reform GLCs. Only the small and medium enterprises were discussed.

"The presence of foreign firms in Malaysia such as from China was also not mentioned. Companies from China are involved in all key sectors such as digital economy (Alibaba, Tencent), infrastructure (East Coast Rail Link, Kuantan Port) and industry (Malaysia-China Kuantan Industrial Park)," he said.

Gomez also urged the government to be more transparent in disclosing official figures, including on corporate equity holdings.

He pointed out that corporate equity held by bumiputras declined to 16.2% in 2015 from 23.4% in 2011. Similarly, the share of non-bumiputras also fell to 30.7% in 2015, down from 34.9% four years earlier.

It is worth noting that the corporate equity share of non-bumiputras is the worst since 1970.

Interestingly, despite the decline seen among bumiputra's and non-bumiputras' equity control, foreigners' share had spiked to 45.3% in 2015, from 37.2% in 2011.

"What went wrong? All we are asking is that the government provides the data transparently, so that we can analyse the situation more carefully and understand the problem," said Gomez.

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