

CABINET DECISION

Targeted fuel subsidy programme deferred

KUALA LUMPUR: The government is postponing the petrol subsidy programme (PSP) to allow the Finance Ministry to fine-tune its implementation mechanisms.

Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail said the decision to postpone the programme came after a cabinet meeting on Dec 18.

"The cabinet meeting on Dec 18 decided that the PSP, scheduled to start in January, will not be continued until a later date is announced.

"This is to allow more explanation sessions for better understanding and preparation of the programme's implementation.

"It is to give room for the process of registering recipients from the middle 40 group, which will be handled by the Finance Ministry," he said yesterday.

Saifuddin said the people would continue to enjoy petrol

prices based on the current system, while waiting for the PSP to be implemented.

The PSP, which was supposed to be implemented in Peninsular Malaysia on Jan 1, was initially meant for some 2.9 million people in the bottom 40 group who are eligible for the Cost of Living Allowance.

During the tabling of the 2020 Budget on Oct 11, Finance Minister Lim Guan Eng announced that the PSP would be expanded to include about five million middle-income earners, whose monthly household income was less than RM4,000.

Cars with an engine capacity of 1,600cc and below are eligible for the petrol subsidy, while cars with an engine capacity above 1,600cc must be more than a year old to be eligible.

Motorcycles must have an engine capacity of 150cc and below to be eligible, while bikes above 150cc must be more than seven years old.



Datuk Seri Saifuddin Nasution Ismail