

2.9 MILLION TO BENEFIT

TARGETED FUEL SUBSIDY PROGRAMME TO ROLL OUT JAN 1

Scheme will cost govt RM65 million a month; payment will be made quarterly to eligible recipients

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THE long-awaited Targeted Fuel Subsidy (PSP) programme, which aims to ensure that petrol subsidies benefit only the lower-income group, will be rolled out on Jan 1.

The scheme, which will cost the government RM65.4 million a month, will see cash aid channelled to the bank accounts of recipients eligible for the cost of living aid.

The government will gradually float the price of RON95 petrol from January next year.

Domestic Trade and Consumerism Minister Datuk Seri Saifuddin Nasution Ismail yesterday announced that cash aid would be credited into recipients'

bank accounts once every four months.

He said 2.9 million recipients of the cost of living aid, who owned vehicles with valid road tax, would benefit from the scheme. The subsidy rate, he said, would be RM30 a month for motorists and RM12 a month for motorcyclists.

"The scheme applies to recipients with cars with an engine capacity of 1,600cc and below; cars more than 10 years old with more than 1,600cc engines; motorcycles with engines of 150cc and below; as well as motorcycles with engines of 150cc and above and more than seven years old. Even though the recipient has more than one vehicle, the subsidy is only valid for one vehicle. And it is according to the highest rate."

Based on the Road Transport Department's data, there are 1.1 million recipients with motorcycles. The same number applies to those who have only cars, while the number of people with cars and motorcycles is 0.7 million.

Saifuddin gave his assurance that the move to float the fuel price would not burden the people.

"The mechanism that will be

used to gradually float the price of RON95 is under the Finance Ministry. For now, fuel prices will be announced weekly."

He said the price of RON95 in Sabah, Sarawak and Labuan would remain at RM2.08.

This, he said, was because the majority of residents there used diesel.

He said fuel consumption in Malaysia was 1.2 billion litres per month and that only 10 per cent of people used RON97, with the rest opting for RON95.

The subsidy quantum is based on the use of 100 litres per month by motorists and 40 litres per month by motorcyclists consumed on average to travel 1,500km to workplaces or 50km for daily needs.

On whether recipients would continue to enjoy the subsidy if global oil prices dropped, Saifuddin said it depended on the circumstances.

"If oil prices stabilise in January and February, but drop drastically in March and April, PSP payments will still be made in April."

If oil prices dropped below RM2, the subsidy would be reviewed, he added.

On how the government would use expected savings from the scheme, he said: "Personally, I would use it for the M40 (middle-income group). I will raise this matter in the next cabinet meeting."

Saifuddin said higher fuel prices would not lead to price hikes of goods, adding that 2,300 officers would monitor the situation to prevent this.

Those who wish to check whether they are eligible for the subsidy can go to psp.kpdnhep.gov.my, starting Oct 15.



Domestic Trade and Consumerism Minister Datuk Seri Saifuddin Nasution Ismail (centre) at a press conference on the Targeted Fuel Subsidy programme in Putrajaya yesterday. With him is his deputy, Chong Chieng Jen (second from left). PIC BY MOHD FADLI HAMZAH



The subsidy rate under the Targeted Fuel Subsidy programme will be RM30 a month for motorists and RM12 a month for motorcyclists. BERNAMA PIC