

## KPDNHEP to consider expanding targeted fuel subsidy to M40 group



Tuesday, October 8th, 2019 at , Economy | News

*Targeted fuel subsidy for the B40 group will create some savings for govt although the quantum is yet to be ascertained*

by RAHIMI YUNUS/ pic by ARIF KARTONO

DOMESTIC Trade and Consumer Affairs Ministry mulls the idea of expanding the targeted fuel subsidy to the middle 40% (M40) income group.

Minister Datuk Seri Saifuddin Nasution Ismail (*picture*) said the newly announced targeted fuel subsidy for the bottom 40% (B40) group would create some savings for the government although the quantum is yet to be ascertained.

Saifuddin Nasution said he is keen to include the M40 group into the programme by using savings made from the targeted fuel subsidy programme.

"If you ask me, I would love to use that (savings) to expand it to the M40. So it will be B40 and M40. But it still has to be data-driven.

"I will raise this in the next Cabinet meeting for consideration," he said after announcing the new targeted petrol subsidy for the B40 in Putrajaya yesterday.

He said the price of RON95 will be floated and adjusted gradually when the targeted petrol subsidy takes effect starting January next year.



● He added that the float system, either to be set weekly or otherwise, will be further discussed and decided in the future.

The new targeted subsidy scheme of RON95 is rated at RM30 a month for a car and RM12 for motorcycle. The amount will be automatically credited into the recipients' accounts every four months.

This means the recipients would receive RM360 yearly for a car and RM144 for a bike.

Saifuddin Nasution said the first payment will be made to the participants in April 2020 as the programme starts in January.

He said the recipients are Bantuan Sara Hidup beneficiaries with addresses in Peninsular Malaysia only.

"Current subsidy is at about 25 sen for the price of RM2.08, based on an automatic pricing mechanism. If there is any price fluctuation, the price will be maintained at RM2.08 for Sabah and Sarawak. Our calculation also showed that the use of diesel is higher in Sabah and Sarawak, attributable to the fourwheel-drive use. So, we stay with the status quo," he added.

Other conditions for the subsidy programme are that recipients must fulfil the vehicle-ownership criteria, which are fixed for cars of 1,600cc and below, and those of over 1,600cc and 10 years old and above.

Motorcycles of 150cc and below, and those of over 150cc and seven years old and above are qualified for the programme.

Maximum vehicle ownership is capped at two cars and two motorcycles for each individual, while the eligibility of the subsidy is limited to one of which is higher.

The new targeted subsidy mechanism is expected to benefit about 2.9 million vehicle owners in the country, including disabled individuals.

The total amount of subsidy is estimated at RM65.4 million a month.

Applicants can check for eligibility online starting Oct 15, 2019.