

TECH TO BE THE KEY ENABLER

Saifuddin Nasution: Big data analytics combat subsidy leakages, ensure fair wealth distribution

KUALA LUMPUR: THE government will do away with bulk subsidy schemes by using big data analytics (BDA) to drive decisions in future initiatives, said Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail.

He said that targeted subsidies, such as the Bantuan Sara Hidup (BSH) cash aid and for petrol, were the way forward for the country, in order to ensure the aid given by the government reaches its intended target.

When it comes to petrol subsidies, for instance, he noted that the incumbent government stabilised the price of the RON95 petrol at RM2.08 per litre, after it took over on May 9, 2018. RON95 petrol contributes 90% to all petrol usage in the country.

"The second phase is to ensure that only targeted groups of Malaysian citizens enjoy the petrol subsidy and at the same time, reduce leakages in existing bulk subsidy schemes. This is part of the promise included in Pakatan Harapan's manifesto, which aims to optimise petrol usage among citizens and fairly distribute subsidies," he shared.

Targeting the right groups

The recent Budget 2020 announcement saw the government expanding the targeted petrol subsidy scheme to cover a large



Data-driven decisions: Data would make it easier to make informed decisions when it comes to gauging the viability of abolishing tolls or implementing a targeted toll subsidy for specific groups of users.

portion of the middle-income (M40) group.

Pulling from existing data, Saifuddin Nasution said that the scheme will involve 7.5 million Malaysians from the M40 and low-income (B40) groups with vehicles that fit the set criteria.

A learning curve

"At least the scheme will reduce the burden on these groups. As we were implementing the petrol subsidy programme, the Ministry leveraged BDA from a combination of different data sources such as the BSH, the Road Transport Department (JPJ), the Inland

government as well.

An example he raised is the issue of tolls, a hot topic among Malaysians.

He opined, "Through data collected from tolls, we can know who the real toll users are. If this is combined and cross-checked with JPJ data on vehicle owners and where these owners reside, it would certainly be easier to make a decision - whether abolishing tolls would be reasonable or if we should carry out targeted subsidies to help those who often use tolls."

Eye on the future

Further elaborating on the government's accessibility-related initiatives, he drew attention to the fact that by compiling data on the routes of public buses and the passengers that constantly use the buses, it would help with optimising the schedules and routes for this form of public transportation.

"In some places, public transport is enjoyed more by foreign nationals than by Malaysians themselves. If this continues, the subsidy is not in keeping with its intended aim," he added.

The same is the case, Saifuddin Nasution said, when it comes to giving aid to school students.

He said, "With technology and BDA, we can identify needy students that need aid. Wealthier students will not take breakfast at school, even if it's offered free. This

means the government can then avoid wastage and leakages by distributing breakfast only to certain students and not prepare food for all the school's students as a whole.

"In doing so, the government will be seen not only as a responsible entity that cares about the country's citizens, but also as a smart one that provides aid to the right target groups. We hope that such technology and data can contribute to more programmes in the future, in order to fulfill sustainable and viable development plans for the country."



Technology as enabler: BDA can be applied in government initiatives to combat leakages, said Saifuddin Nasution.