

Petrol subsidy a big question mark

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PDAM is confused over the gov't's decision to revoke a clause for the ceiling price of RON95 and diesel

by NUR HANANI AZMAN/ pic by MUHD AMIN NAHARUL

THE RM2.2 billion petrol subsidy programme (PSP), which was supposed to be launched in January this year, remains unaddressed, leaving Malaysians with a big question mark.

The PSP was expected to benefit around four million car owners and 2.6 million motorcycles as announced by the previous Pakatan Harapan government in October last year.

However, earlier this year, the Domestic Trade and Consumer Affairs Ministry (KPDNHEP) postponed the implementation of the PSP to enable briefing sessions to be continued.

The ministry in a statement dated Dec 30, 2019, said its decision would provide time for the registration of subsidy beneficiaries, which will be undertaken by the Finance Ministry (MoF).

However, the MoF did not respond to The Malaysian Reserve's (TMR) enquiry via email until press time.

Petrol Dealers Association of Malaysia (PDAM) president Datuk Khairul Annuar Abdul Aziz said there has been no discussion at all on PSP so far.

He revealed that in April, MoF had requested for PDAM's input on possibly changing the weekly fuel price system to monthly, but there had been no other news after that.

"However, rather than the PSP, we suggested to the government to implement a floor and ceiling price for petrol and diesel which will be more beneficial to our members, consumers and the government.

"Any proceeds from a sharp drop in oil prices that would also affect fuel retail prices to go below the floor price could be retained for future subsidy when price goes above ceiling price," he told TMR.

Under PSP, the government was to provide a subsidy of RM30 per month for car owners and RM12 for motorcycle owners.

Former KPDNHEP Minister Datuk Seri Saifuddin Nasution Ismail said the criteria fixed were for cars of 1,600cc and below, and those over 1,600cc and 10 years old and above.

The Cabinet also agreed to review the criteria for motorcycles, which currently applies to 150cc and below, and over 150cc and seven years old.

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

The cash amount would be automatically credited into the recipients' accounts every four months.

•The former minister also declared that five million individuals in the middle 40% (M40) income group had been identified as recipients of the PSP scheme.

The remaining recipients need to be tracked as MoF has allocated RM2.2 billion involving eight million recipients for the programme.

If materialised, the M40 recipients might get their subsidy in the form of a card called Kad95, entitling them to a 30 sen per litre subsidy for RON95, limited to 100 litres a month for cars and 40 litres for motorcycles.

Khairul Annuar also said PDAM, which represents over 3,800 business owners, is confused over the government's decision to revoke a clause for the ceiling price of RON95 and diesel.

The Federal Gazette published on June 3 no longer contains the clause for setting the ceiling price for petrol and diesel.

<https://themalaysianreserve.com/2020/06/23/petrol-subsidy-a-big-question-mark/>

