

## KERATAN AKHBAR

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TARIKH : 28 JUN 2022  
AKHBAR : THE STAR  
CAPAIAN : <https://www.thestar.com.my/news/nation/2022/06/28/tok-pa-subsidies-will-stabilise-prices-and-avert-inflation>

### **Tok Pa: Subsidies will stabilise prices and avert inflation**

PUTRAJAYA: The government is willing to bear the projected huge subsidy totalling RM77.3bil for this year towards stabilising the prices of goods and avoiding high inflation rates of up to 11.4%, says Datuk Seri Mustapa Mohamed. The Minister in the Prime Minister's Department (Economy) said the government had a choice of removing subsidies and strengthening the country's finances to a better level but it chose to bear the subsidies instead for the welfare and well-being of the people.

Mustapa said the announcement on June 24 by Prime Minister Datuk Seri Ismail Sabri Yaakob of no increase in the water and electricity tariffs and the chicken price not being floated showed the government's caring side and commitment to maintaining the subsidies.

Referring to the projected consumer subsidy expenditure amounting to RM77.3bil, he said RM51bil of it was for fuel, cooking oil, electricity, water, chicken and egg subsidies.

"Without these subsidies, the inflation rate of 2.8% last month could have been 11.4%," he said yesterday. — Bernama