

KERATAN AKHBAR

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Tok Pa: Putrajaya may have to fork out RM30b for fuel subsidies this year, 170pc more than in 2021



Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed said the war in Ukraine and the subsequent sanctions on Russia have highlighted the importance of energy security and self-sufficiency for Malaysia. — Bernama pic

KUCHING, June 23 — Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed today said the federal government may have to come up with RM30 billion this year for fuel subsidies alone, over 170 per cent higher than the RM11 billion for 2021.

He said the year-to-date Brent crude oil price currently stands around US\$106 (RM467) per barrel — a discrepancy of US\$40 against the federal Budget 2022's assumption that the average crude oil price would be US\$66 per barrel.

“Despite this, oil and gas remain an essential driver of growth and a key pillar of Malaysia’s development agenda,” he said at the closing of the Sarawak Oil and Gas, Services and Equipment Roadshow by state Premier Tan Sri Abang Johari Openg here.

Mustapha said the war in Ukraine and the subsequent sanctions on Russia have highlighted the importance of energy security and self-sufficiency for Malaysia.

He also said the war and sanctions have led to a lot of uncertainty and volatility in the commodities market.

“Energy prices — significantly oil — have spiked to triple-digit levels, putting upward pressure on prices globally,” he said.

He said Malaysia, as one of Asia-Pacific’s largest producers and exporters, is not impervious to the challenges of recent years, including the Russian-Ukraine war, the Arab Spring in the early 2010s, the plunge in oil prices in 2014 and the Covid-19 pandemic.

He stressed that the oil and gas industry will play an important role under the 12th Malaysia Plan in closing regional gaps between lagging and high-income states; building a more inclusive society; and ensuring energy sustainability in the long-term.