

KERATAN AKHBAR

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Govt mulls delaying mega projects to foot subsidy bill



PETALING JAYA: The government is considering delaying mega projects as a means of footing an estimated subsidy bill of RM77.3 billion this year, according to economic affairs minister Mustapa Mohamed.

He said a delay could help to ensure that Malaysia's financial position remained secure as there was still a need to provide subsidies for the people.

Mustapa said the country's finances had been affected as the amount allocated for subsidies this year was the largest in national history.

He did not state which mega projects were under discussion. "The move to delay mega projects is possible but it has not been decided," he said, according to a Berita Harian report.

He said priority was being given to the welfare of the people who faced the burden of a higher cost of living.

Mustapa pointed out that the current geopolitical situation was dynamic and the current circumstances were expected to continue for an unforeseeable amount of time.

“For now, the government will keep an eye on the situation. The move to delay mega projects is one of the measures that can be studied and considered to ensure the country’s financial position remains strong,” he said.

Mustapa explained that the government was aware that the M40 (middle-income) group was also affected by rising prices. However, the government had paid attention to their needs. “When the government decided not to review the electricity and water tariffs for example, it definitely provided some aid to them.”

According to a Kosmo report, Mustapa said the country’s inflation rate could reach 11.4% if the government eliminated all current subsidies. The current inflation rate was at 2.8% in May, compared to 2.3% and 2.2% in April and March.