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Padu database will ensure only citizens receive targeted subsidies



Economy minister Rafizi Ramli said targeted subsidies will not be available to foreigners. (Bernama pic)

KUALA LUMPUR: The government's planned targeted subsidies will be solely for Malaysians, economy minister Rafizi Ramli told the Dewan Rakyat today.

He said Putrajaya is considering three types of targeted subsidies – individual, households, and card-based – with the common denominator that they will not be available to foreigners.

“Automatically, only Malaysian citizens will be eligible for these subsidies,” he said.

Rafizi said the government is only taking data from citizens for the Padu integrated database, to which the public will have access from January. He said monthly targeted cash aid is preferable to bulk subsidies.

He was responding to Awang Hashim (PN-Pendang), who asked whether the government could ensure subsidies would only be available to Malaysians.

The PAS MP also asked Rafizi how Putrajaya will ensure that rural Malaysians and Orang Asli will not be left out.

Rafizi said the national registration department is facing a challenge in Sabah and Sarawak, where it has incomplete data or no data at all for some citizens.

“Therefore, we will allocate three months for data verification. We will then mobilise all agencies and the private (sector) to ensure that rural residents are registered with, and can verify their information, in Padu,” he said.

Rafizi said the government will announce details of its plan later this month or in December, but the subsidies will not begin immediately because Padu will only be launched in January and people will be given three months to update and verify their data.

“The current plan is to make sure that all decisions, systems and methods are in place by March 2024,” he said.

In another response to Khoo Poay Tiong (PH-Kota Melaka), Rafizi said the government does not want to be premature in making announcements, because it wants to avoid speculation, particularly about inflation.

He also said Padu will ensure transparency in channelling targeted subsidies to eligible Malaysians, since every citizen will have an account in the database.

“They can check their eligibility, how much aid they can get, and what other aid they can apply for,” he said.

He also said Putrajaya may publish reports from Padu to be presented in the Dewan Rakyat, also to aid transparency.

Rafizi has been championing a move away from blanket subsidies to targeted subsidies, with the annual bill ballooning 322% to RM55.4 billion from 2021 to 2022. Currently, the government subsidises commodities such as fuel, cooking oil and locally produced rice.

In a recent Bloomberg interview, Rafizi estimated that the country could save at least US\$1 billion (RM4.73 billion) to US\$2 billion (RM9.47 billion) once it shifts to targeted subsidies.