

## KERATAN AKHBAR

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### PM launches Padu ahead of targeted subsidy implementation



(From left) Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi, Prime Minister Datuk Seri Anwar Ibrahim and Economy Minister Rafizi Ramli seen on stage during the launch of Padu in Putrajaya on Tuesday, January 2, 2024. (Photo by Suhaimi Yusuf/ The Edge)

PUTRAJAYA (Jan 2): Prime Minister Datuk Seri Anwar Ibrahim has launched the Central Database Hub (Pangkalan Data Utama or Padu), a database containing individual and household profiles encompassing citizens and permanent residents in Malaysia, which will mainly be utilised for the implementation of the planned targeted subsidies by the government.

The database is now accessible to the public until March 31 for the respective profile information to be verified and updated by individuals. The objective of Padu is to provide a safe, comprehensive and near real-time national central database that enables more accurate data analytics to be produced as well as for policy formulation and data-driven decision-making processes, besides enabling targeted policy implementation to balance the country's fiscal position.

Anwar said the initiative is aimed at ensuring a fairer distribution of subsidies, as the current implementation of subsidy distribution disproportionately benefits the affluent.

"Padu will guarantee that the benefits of government subsidies are only enjoyed by the people who are truly entitled to receive them, while also to reduce costs for the government and to avoid leakages," he said.

Economy Minister Rafizi Ramli, who is heading the initiative, noted that the country's fiscal position continues to be a challenge for the government to manage and could have an impact on the economy if reforms are not implemented to control spending and increase revenue.

In addition, if not addressed, the ageing population of the country is also expected to increase the pressure on government spending, especially in terms of providing assistance and social protection.

"Padu will be able to help the government to provide a more accurate measurement of the socioeconomic position of the people and avoid dropouts based on net disposable income.

"This measurement method takes into account the number of dependents and the number of people in households, cost of living according to location, distance to work and ownership of assets such as houses, vehicles and land," Rafizi said during his opening speech.

"This approach also allows the government to move away from the classification of B40, M40 and T20 and look more into the justification of granting aid based on a set criteria," he added.

Rafizi said the implementation of targeted subsidies is expected to help the government achieve its target of reducing the fiscal deficit to between 3% and 3.5% of gross domestic product by 2025.

Padu will act as a national database of socio-economic information for every household in the country, providing regular analytics with a comprehensive store of data updated in "near real time".

The database contains basic demographic information, address, education, household, occupation, income, financial commitments and assistance received, which are all retrieved from existing information supplied by various ministries and government agencies that are integrated into Padu.

The system has been in development since June last year, and will see integration with MyDigital ID, the country's national digital identification system at a later date.