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DETAILS ON SUBSIDY RATIONALISATION

'GOVT WANTS TO PREVENT PRICE HIKES'

Decisions finalised internally before announcements made, says economy minister

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THE government is withholding details on subsidy rationalisation to prevent traders from exploiting the situation, says Economy Minister Rafizi Ramli.

He said public advance notice could lead to preemptive price hikes by traders.

"If details are known beforehand, prices may increase repeatedly. Thus, the government finalises decisions internally be-

fore making announcements," he said in response to Datuk Seri Ronald Kiandee (PN-Beluran).

Kiandee queried whether a surprise announcement could mitigate the burden on the country and the people.

Regarding the RON95 subsidy rationalisation, Rafizi said the government was currently refining the targeting mechanism using data from the Central Database Hub (Padu).

"However, the current focus is on diesel subsidy rationalisation and assessing its impact on the economy and citizens.

"In the near future, the government plans to leverage Padu's data for various purposes developed by multiple agencies to enhance socio-economic programmes, specifically to optimise resources, reduce wastage, and improve the welfare of the people."

Last month, Rafizi in an interview with Bloomberg at the World Economic Forum in China said that the government

would announce the removal of the RON95 petrol subsidy unexpectedly, similar to the diesel subsidy move.

"We will keep our cards close to our chest in the same way we surprised everyone with diesel. So we did surprise everyone with diesel and I think everyone is up for another surprise," he said.

On June 10, diesel prices in Peninsular Malaysia rose to RM3.35 per litre, a decision criticised by the opposition.

On a separate matter, Rafizi said the government would not "blindly" give allocations towards joint infrastructure development for specific projects in the Johor-Singapore Special Economic Zone (JS-SEZ).

He said the matter had been conveyed to Singapore through meetings.

"For joint financing on the infrastructure development for specific projects, we have conveyed to the Singapore government that we will not allocate funds blindly.



Economy Minister Rafizi Ramli responding to queries from Datuk Seri Ronald Kiandee (PN-Beluran) in the Dewan Rakyat, yesterday. BERNAMA PIC

"It must be done jointly with private investors and the way to go about it is to consider having infrastructure funds available when there is an investment from the private sector," he told the Dewan Rakyat during the ministry's special session on the JS-SEZ yesterday.

Rafizi added that the presence of JS-SEZ could divert international companies from investing in other countries in the region.

"This is because many international investors are seeking ways to establish their presence in Southeast Asia following geopolitical risks in their respective countries.

"JS-SEZ will not only focus on getting Singapore companies to come to Johor, but also provide a greater potential for companies

worldwide to come to Johor with the view that they can have the best of both worlds.

"This means (enjoying) the sophistication of Singapore, while leveraging on Johor's resources and cost advantages.

"Previously, the destination for these companies were Vietnam. However, with the presence of JS-SEZ, we can position Malaysia as a competitor to divert investments towards Johor and Singapore."

Rafizi further said the government's focus was also to draw investors whose sights were set on sectors aligned with the government's high-value policies as outlined in the New Industrial Plan 2030, the National Energy Transition Roadmap and the 12th Malaysia Plan.