

## KERATAN AKHBAR

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### Advance notice of subsidy cuts could lead to price hikes, Rafizi argues



Economy Minister Rafizi Ramli (The Edge filepix by Zahid Izzani)

KUALA LUMPUR (July 11): The federal government’s approach of not providing advance notice of the subsidy rationalisation is aimed at preventing traders from taking advantage of repeated price hikes, said Economy Minister Rafizi Ramli.

The economy may see multiple price hikes from early announcement of subsidy rationalisation, Rafizi told the Dewan Rakyat on Thursday, during the minister’s question time session. The government needs to manage the impact from the withdrawals, he noted.

“That is why the government decides to make official announcements only when everything is in place in the government phase,” he said. “This can mitigate the risk of traders taking advantage and causing a series of price hikes.”

Last month, Rafizi was reported as saying that the government would not give the public advance notice on any decision to remove blanket subsidies for RON95 petrol, just like when the government implemented the retargeting of diesel subsidy.

However, Rafizi's remarks have drawn backlash from several quarters, including the Opposition. Prime Minister Datuk Seri Anwar Ibrahim has downplayed Rafizi's remarks, saying that the government has not made any decision on slashing subsidies for RON95 petrol.

Budi Madani and Padu

Meanwhile, Rafizi said the central database hub (Padu), set up by the Economy Ministry, complements the Finance Ministry's Budi Madani programme by streamlining the approval process for eligible applicants.

Without Padu, any government cash aid programme would require a review of each application individually and data from different agencies, which slowed down assistance to the deserving public, Rafizi noted.

Rafizi also confirmed that the data and parameters of those receiving assistance under the Budi Madani cash aid programme had been cross-checked with Padu.

A policy decision has been made to fully utilise Padu, should the government decide to implement targeted subsidies for RON95 petrol, he added.