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DIESEL SUBSIDY RATIONALISATION

'ANNOUNCEMENT AT THE RIGHT TIME'

This is to prevent knock-on effect on inflation and supply, says Rafizi

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THE government has set the date for the diesel subsidy rationalisation, said Economy Minister Rafizi Ramli yesterday.

"We will announce it when the time is right. However, I have emphasised many times that the sequence must be correct. It is about balancing and reducing the risk of knock-on effect on inflation and supply.

"Sometimes, if you announce the plan early, hoarding happens. People may start stockpiling because they know that in two or three months, diesel price will rise," he said after officiating at the Oil and Gas Services and

Equipment (OGSE) Census 2024, here, yesterday.

Rafizi said although some people might question why the government did not take more drastic action to prevent leakages, it was impossible with only 2,500 enforcement officers.

The Finance Ministry announced a diesel subsidy aid programme on May 27, with eligible individuals and smallholders in the agriculture and commodity sectors each getting RM200 monthly.

As of yesterday, more than 30,000 applicants had been approved to receive cash subsidies under the Budi Madani initiative.

Rafizi said the targeted subsidy plan for RON95 petrol also remained on track.



Economy Minister Rafizi Ramli speaking at the launching ceremony of the oil and gas services and equipment (OGSE) Census 2024 yesterday.
BERNAMA PIC

"Our most important parameter is our deficit target, which is set at 4.3 per cent for this year.

"Therefore, subsidy retargeting

is a key lever towards achieving this goal. The specifics will depend on the financial details."

Rafizi also called on the OGSE

sector to help ensure that Malaysia would not lag behind other countries in terms of enhancing its energy potential.