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KUALA LUMPUR, Nov 26 (Bernama) -- The government has no intention to withdraw the subsidies for petrol, diesel and gas at the moment and is only studying how to revise them, the Dewan Rakyat was told today.

Finance Ministry Parliamentary Secretary Datuk Seri Dr Hilmi Yahaya assured that the government will not make any drastic change in policy and that the matter needs comprehensive and detailed study.

He was replying to Datuk Bung Mokhtar Radin (BN-Kinabatangan), on whether there will be a withdrawal of the subsidies, and to Dr Wee Ka Siong (BN-Ayer Hitam) on whether the government is able to bear the subsidy burden and whether there will be a policy change in this regard.

Bung Mokhtar had also urged the government to withdraw the fuel subsidies which total RM35 billion a year and channel the amount towards development and improving the lot of the rural people.

Earlier, Dr Hilmi, in response to a question from Dr Mohamed Hayati Othman (PAS-Pendang) on the total assets of Islamic banking, said that as at Sept 30 this amounted to RM147 billion or 12.3 percent of the market value of the whole banking sector's assets and 47.6 percent of the country's Gross National Product (GNP).

"However, if all the assets of the Islamic finance sector are taken into account, such as the assets of Islamic banks, Bank Kerjasama Rakyat Malaysia Bhd and Islamic securities held by conventional banks, the amount is more than RM332 billion and make up 107.9 percent of GNP," he pointed out.

Dr Hilmi said the government also uses Islamic banking services including those of merchant banks with Islamic financing windows for all the banking accounts of 25 branches of the Accountant-General's Department and 10 departments which undertake their own accounting.

On Malaysia's preparedness to compete with Hong Kong, Australia, China and other countries which are also opening up to Islamic banking, Dr Hilmi said the government encourages foreign banks to operate here through the Malaysia International Islamic Financial Centre (MIFC) and they are allowed to open Islamic banking branches here.

Replying to Hamim Samuri (BN-Ledang) on whether the Iskandar Development Region in southern Johor is capable of drawing more Islamic banking players than Singapore, he said that so far investments worth RM1.2 billion had been pledged by Middle East companies.

"No where else in the world is the Islamic banking system so extensive other than in Malaysia and according to Bank Negara Malaysia, total investments in the first and second quarters of this year amounted to more than RM30 billion, compared with RM13 billion in the same quarters of last year," he said.

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