

## The Star : Life minus fuel subsidy

Written by Administrator

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**Opinion**

PRIME Minister Datuk Seri Abdullah Ahmad Badawi has recently indicated that fuel subsidies will be reduced as they cannot be sustained due to the steep rise in global oil prices. The increase in crude oil prices presents a dilemma for Malaysia as an oil-producing nation in that while high prices boost the Government's revenue, it also raises the cost of maintaining fuel subsidies. The complete withdrawal of fuel subsidies will probably happen sooner or later.

Malaysians have to be prepared and measures should be employed to face these challenges. The Government and the people can work towards this goal, with the government leading the way to:

- Educate the public on the larger picture of the negative aspects of fuel subsidies, and what can be achieved as the subsidies are withdrawn. Public acceptance of higher fuel prices will be better if the Government carries out campaigns to explain the exact situation.
- Curb or halt any Government mega projects that are not critical or essential, and divert funds towards critical projects or measures that will benefit the public, for instance, the improvement of the public transport system.
- Urgently upgrade the transport system nationwide. Without this, the Government should strictly prohibit any price increases in this sector.
- An efficient, accessible and affordable transport system would serve to reduce the number of cars on the roads.
- Divert the funds that are saved following subsidy removals to other projects that will benefit the nation, such as more low-cost housing, improved healthcare delivery, and school facilities.
- Have a full disclosure of details of Government spending where the public can see and understand how Government funds are being used.
- Control the price of cooked food and drinks. Price ceilings should be set for some common items such as cooked white rice, chicken, fish, vegetables and drinks. At the same time, the public must be encouraged to eat more home-cooked meals.
- Provide incentives for fishermen, farmers and those in the transport business to offset the increase in costs and to enable prices of goods and services to be contained.
- The role of Fama, LKIM and transport bodies could be re-examined, and ways can be determined where they can contribute even more to ease the burden on these groups.
- The role of the middlemen should be abolished and farmers should be given the opportunity to sell their produce direct to customers.
- Set up a fund to provide loans to petty traders, hawkers and small businesses, enabling them to avoid loan sharks or ah longs.

Following the last fuel price increase, Government department staff were urged to control air-conditioner usage. Similar measures should be initiated in other areas.

Encourage businesses and consumers to increase efficiency and cut down wastage. For example, certain food outlets have a policy that food not consumed within the day is to be thrown away. . . Better planning of food quantities should be encouraged. Arrangements can be made to distribute any excess food to workers or others who have a need for food.

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