

The Star : Fuel subsidies get in the way

Written by Administrator

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KUALA LUMPUR: Fuel subsidies will have to be looked at differently from now on, by taking the nation's other needs into consideration, said Domestic and Consumer Affairs Minister Datuk Shafie Apdal.

With increasing global fuel prices, Shafie conceded there was a need to weigh subsidies against other needs such as medical and education infrastructure and that the Government would figure out a way to balance it.

The more than RM300mil we spend every month to subsidise fuel could be used for new hospitals, schools, public transportation and better roads.

However, there is still a need for such subsidies especially for our fishing and steel sectors, he told reporters, after presenting recognition awards to 600 consumer outlets that offered reasonable prices for their products.

Asked whether fuel subsidies would eventually stop, Shafie said it was entirely up to the Government.

However, we have to reduce the distribution of the country's wealth to subsidies. We don't want a situation where all the country's revenue is used for subsidies, he said.

As for revising the subsidy system, Shafie said the cross-subsidy system was being looked at together by a number of parties including his own ministry, the Economic Planning Unit, Finance and Transport ministries.

We have done similar schemes before and they have worked, for both fishing operators and heavy vehicle transport operators.

He also reiterated that fuel prices would not go further up this year.