

## Govt to review fuel, cooking oil subsidies

**THE** government will review the fuel and cooking oil subsidy mechanism to aid vulnerable groups and those who really need help, Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said.

"The implementation of targeted subsidies is expected to optimise the government's financial resources and the savings achieved can be redistributed to more effective programmes that help the people," he told the Dewan Rakyat yesterday.

Tengku Zafrul said the current subsidy scheme resulted in subsidised prices being enjoyed by all — the rich and the poor.

Furthermore, he said, the high-income group was enjoying more subsidies based on a greater level of consumption compared with the low-income group.

Fuel and cooking oil subsidies



*Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz (inset) says the actual cost of RON 95 petrol has reached RM3.70 per litre this month.*

FILE AND BERNAMA PIX

were expected to reach RM28 billion this year.

He said since the beginning of 2021, world crude oil prices had shown a significant upward trend, with the benchmark Brent crude rising to US\$85 per barrel in January from US\$55 per barrel in the same period last year.

Following this increase, he said the government had to cover a significant increase in subsidies for petrol, diesel and liquefied

petroleum gas of up to 10 times, increasing from RM200 million in January last year to more than RM2 billion for January this year.

Coupled with the conflict between Russia and Ukraine, world crude oil prices had risen sharply to more than US\$100 per barrel, the highest level since 2014, he said.

With this increase, total petrol, diesel and LPG subsidies were expected to exceed RM2.5 billion

a month.

Tengku Zafrul said consumers paid RM2.05 per litre for RON95 petrol, but the actual cost this month had reached RM3.70 per litre.

He said this meant that the government subsidised up to 45 per cent of the total amount paid.

For diesel, he said, consumers paid RM2.15 per litre at petrol stations while the actual cost had exceeded RM4 per litre. **Bernama**