

# Diesel subsidy rationalisation to stay despite criticism, says Anwar

By **Bernama** - September 26, 2024 @ 12:45am



Prime Minister Datuk Seri Anwar Ibrahim answering questions from the audience during Ilmuan Malaysia Madani Forum. Next to him is Higher Education Minister Datuk Seri Dr Zambry Abd Kadir. - BERNAMA PIC

**KUALA LUMPUR:** The government needs to take practical measures, including targeting diesel subsidies despite receiving criticism, said Prime Minister Datuk Seri Anwar Ibrahim.

He said the targeting of diesel subsidies has successfully increased investor confidence, stock market stability and strengthened the implementation of the country's Fiscal Responsibility Act.

"This step has had a positive impact on the market, after we targeted the diesel subsidy, the price of diesel dropped by 40 sen. This gives confidence to investors and shows our commitment to stronger economic reforms," he said at the Ilmuan Malaysia Madani Forum here on Wednesday.

Anwar explained that the implementation of subsidies that are not properly targeted burdens the country's finances, especially when the subsidies are also enjoyed by the rich who should be able to cover the higher costs.

"Rich people who can afford to pay RM100,000 for their child's education in a private university but cannot afford to pay RM10,000 in a public university - that is something we need to change. It's the same in government hospitals, where they (rich people) enjoy first class facilities with minimal fees," he said.

He also compared the situation to the failure of the National Health Service (NHS) in the United Kingdom, where massive subsidies to all levels of society eventually became unsustainable.

"Malaysia has the lowest tax base in Asia, and this becomes a big challenge when the government has to make practical decisions in implementing reforms, including subsidies," he added. — BERNAMA