

No more subsidy for high household electricity use, says PM

By Hazwan Faisal Mohamad - May 15, 2023 @ 4:20pm

PUTRAJAYA: Households with high electricity consumption will no longer enjoy government subsidies, said Prime Minister Datuk Seri Anwar Ibrahim.

Households, such as those that used three fans and four air conditioners, should pay the actual cost of consumption.

"It needs to be understood that there will be no increase for 90 per cent of the people, but there will be a tariff increase for households that use excessive electricity such as multiple air conditioners," he told reporters after chairing the National Economic Action Council (MTEN) meeting today. Also present was Economy Minister Rafizi Ramli.

Anwar did not specify the exact implementation date for the electricity tariff adjustment or the amount of usage that would be categorised as "very high".

In early March, Natural Resources, Environment and Climate Change Minister Nik Nazmi Nik Ahmad said the government had allocated RM10.76 billion to cover electricity bill subsidies for domestic and non-domestic consumers in the low voltage (LV) category from Jan 1 to June 30, 2023.

This covers users from Micro, Small, and Medium Enterprises (MSMEs), restaurants, retail stores, and small workshops as well as farmers, breeders, and smallholders in agriculture.

"This means that 9.5 million electricity users who represent 99 per cent of all users in Peninsular Malaysia will not be affected by the increase in fuel costs for electricity generation," Nik Nazmi said during the winding-up debate on the Supply Bill 2023 in the Dewan Rakyat.

Nik Nazmi also said electricity tariffs were reviewed every six months through the Imbalance Cost Pass-Through mechanism taking into account fuel costs and other generation costs for the past six months.