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WECAM: Proper Studies Needed Before Implementing Fuel Subsidy Decision

KUALA LUMPUR, Jan 8 (Bernama) -- The Water and Energy Consumer Association of Malaysia (WECAM) hopes that the government's decision on fuel subsidy is based on proper studies and not on assumptions.

In a statement here on Friday WECAM said the fundamental problem in Malaysia was that fuel consumption for transportation sector was higher than power sector.

"The improvement of public transportation network and outreach as well as service quality will definitely shift Malaysian consumers to use it," it said.

WECAM said without the huge shift to use public transportation, the fuel consumption in transportation sector cannot be reduced.

It said to reduce subsidy levels in fuel usage, taxation of imported and locally-manufactured cars should be based on fuel efficiency, higher efficiency must be rewarded with tax reduction or even exemption.

"Improving public transportation system with rail networks will also play a major role. If we can achieve even 50 per cent of Malaysian using public transport by 2020, there will be huge savings in subsidy to fuel, carbon dioxide reduction as well as reduction in traffic congestions," it said.

WECAM said currently, close to 20 per cent of Malaysians used public transportation.

It said assisting old car owners with end-life vehicle policy would not only reduce old fuel gulpers but assist consumers buy new cars in reasonable and affordable prices.

WECAM said the government should also do actual research work before announcing any changes.

"Impact assessment, root cause analysis, changes and simulation of future trends can assist the country make sound decisions," it said.

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