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## Consider liberalising the electricity supply market

MOVES to rationalise the subsidy for electricity have been initiated, starting with 1.2 million households, who consume between 601 kWh and 1,500 kWh of electricity a month, having to pay more from Jan 1 to June 30 this year.

Faced with higher bills, consumers, especially lower and middle-income earners, are worried and are hoping the government would look for other ways

to augment the country's coffers besides removing the subsidy.

Singapore's liberalised electricity market may provide the answer. In Singapore, the electricity supply sector is open to competition among multiple power companies, which allow consumers to shop around before choosing the most suitable options for themselves.

From an economic perspective,

an open market will drive down prices due to industry competition while simultaneously improving the quality of service.

Consumers would not be at the mercy of a single power company and can freely choose and even leverage the competitive environment to seek higher quality, more affordable electricity supply.

Introducing a competitive

mechanism in the electricity supply sector requires careful consideration, but the potential is undeniable.

Only in a fully competitive environment can Malaysia's electricity market truly develop and achieve a balance between efficiency and fairness.

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