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KUALA LUMPUR: The government is able to save RM4.1 billion through the implementation of targeted electricity subsidy for half a year in 2023, the Senate was told yesterday.

Deputy Finance Minister Steven Sim said the actual cost of the subsidy to maintain the current electricity tariff, if fully implemented, would reach

RM14.9 billion, but with targeted subsidy, the total cost would only be RM10.8 billion.

He said through targeted implementation, part of the Imbalance Cost Pass-Through will be released to medium and high voltage users among industry players, including multinational companies (MNCs), with a surcharge of 20 sen/kWh.

"This implementation only involves the highest one percent of electricity users, most of whom are MNCs," he said during the oral question and answer session at the Senate.

Sim said this in response to a question from Senator Tan Sri Mohamad Fatmi Che Salleh who wanted to know the latest subsidy distribution mechanism being implemented to make it more targeted and avoid leakage.

Meanwhile, Sim said the government was studying the implementation of targeted subsidies for diesel.

"Providing this diesel subsidy is not expected to increase the cost to the existing industry... but the government is focusing on the aspect of the implementation and communication to the industry so that there is no economic shock.

"This matter is being looked into

by the ministry's task force so that it is implemented carefully, targeted electricity subsidy is the first level," he added.

He was responding to a supplementary question from Senator Mohd Apandi Mohamad about whether the government had a mechanism for granting subsidies in other segments such as gas and cooking oil. — Bernama