

Card system mulled to replace fuel rebates

Written by 3K Admin

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PETALING JAYA: A card system enabling consumers to buy petrol at a certain fixed price is among the suggestions being mulled to replace the current rebates for fuel.

A reliable source in the Economic Council said because it was possible that petrol prices could drop to RM1.92 per litre in January, the suggestions were for a new rebate system to help consumers if the prices rose higher than that.

A study was done on allowing one person to buy up to 250 litres of petrol at RM1.92 per month. If the person uses up that card, then he would have to buy petrol at whatever the market price is, he told The Star yesterday.

The source also said the proposal would be fair to all road users and allow for equal distribution by giving one person a card with a set amount to use and not based on how many cars he has in his name.

It was learnt that such a system would be available only for MyKad holders, and foreigners would have to pay the market rate.

Domestic Trade and Consumer Affairs Minister Datuk Shahrir Samad recently said the Government would unveil a new fuel rebate system next year as the current system was unpopular with vehicle users.

Kuala Lumpur and Selangor Car Dealers and Credit Companies Association president Khoo Kah Jin said instead of a fuel rebate system, the Government should give tax exemptions to vehicle owners.

The Government has to come out with a figure for every car owner based on the vehicle's capacity and limit the exemption to five cars per owner, he said, adding that the figure had to be higher than the current rebate.

He added that the current fuel rebate system was subject to abuse as one person could claim the rebate for another person.

When the Government increased fuel prices in June, it also announced that private vehicles with engine capacity of up to 2,000cc as well as pick-up trucks and jeeps with engine capacity of 2,500cc would be given a rebate of RM625 a year per vehicle.

It also announced that owners of motorcycles with engine capacity of 250cc would be given a rebate of RM150 per motorcycle a year, from April 1 this year to March 31, 2009.

Consumer Research and Resource Centre Paul Selva Raj said the fuel rebate system would not be necessary if the subsidy was scrapped and redirected to develop the public transportation system.

People took the RM625 fuel rebate for granted and did not see the value. They don't understand that the rebate is only short term, he said.

Source: <http://thestar.com.my/news/story.asp?file=/2008/11/3/nation/2443040&sec=nation>