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Salute to Government, PLUS for maintaining highway toll rates

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IT was indeed an early New Year gift for the public when the Government announced last Monday that there would not be any increase in toll charges for the North-South Expressway and the North-South Expressway Central Link.

Motorists joining the balik kampung ritual during the double festival celebrations of Chinese New Year and Hari Raya Aidilfitri next month have every reason to be relieved that toll rates have not joined the growing list of things "going up" these days.

The decision not to raise the rates was a bold and unexpected one considering earlier statements from Government leaders indicating that a hike, albeit minimal, was inevitable.

Works Minister Datuk Seri S. Samy Vellu said in early October that an increase could not be avoided as a preliminary report from the Malaysian Highway Authority had suggested that any amendment to the concession agreement with Projek Lebuhraya Utara Selatan, the concessionaire for the 848km Johor Baru-Bukit Kayu Hitam North-South Expressway, would be akin to disturbing the hornet's nest.

This implied that the Government's hands were tied by the agreement which allowed concession holders a periodic increase in toll rates.

Samy Vellu added that any decision contrary to this would mean the Government would have to compensate PLUS substantially.

But the Cabinet's decision showed that there is still a way out.

Surely, some kind of consensus can be reached, one which will not be detrimental to the financial well-being and future of PLUS.

Deputy Prime Minister Datuk Seri Anwar Ibrahim had indicated that the company could be compensated in ways other than hard cash.

An extension to the concession period and allowing the development of areas along the expressway, which will benefit the company, are among the possibilities.

He had said there would be no difference if the Government had to pay a huge sum of money as compensation for not allowing PLUS to impose new rates.

Prime Minister Datuk Seri Dr Mahathir Mohamad and Anwar have repeatedly urged the private sector and the general public to play their role in weathering the economic problems.

For PLUS, putting on hold now its request for a toll hike is certainly one way of responding to the call.

In view of the current situation, any increase however small it might be, will not help in efforts to strengthen the position of the country.

Azmin Mohd Idris of the Hauliers Association of Malaysia said higher toll rates could cause a chain-reaction and be used as an excuse to raise transport fares and charges.

This will likely lead to an increase in the prices of other goods and services.

"As toll rates keep changing, hauliers have an agreement with our clients that any increase in toll charges will have to be borne by them. It is up to them either to absorb or pass down the additional cost to consumers."

That was why, he said, the decision to maintain the toll charges was laudable.

"It will go a long way in helping the economy. It is also in line with

the Government's call for the private sector to reduce operating costs and increase productivity at the same time.

"We will not be able to do this if operational costs keep rising."

This was the time for big and small sacrifices to be made, he added, as a speedy recovery of the economy was paramount.

National Consumer Affairs Council member, Datuk Lee Lam Thye, said the no-increase decision was the best in view of the present situation.

He considered the decision as "exceptional" because under normal circumstances, public appeals and opposition against a toll hike would not have prevailed.

Since PLUS announced its plan to raise the rates last October, it has proven to be unpopular, although this is not the first time the rates have seen an increase.

Several Barisan Nasional component parties have expressed reservations while many MPs brought up the issue in the recently-concluded Dewan Rakyat sitting.

Lee said: "The decision is in tandem with other austerity drive and cost-cutting measures announced by the Government."

Taking into consideration the present situation, he felt it was justifiable and was the best thing to do.

Although it was a decision made by the Government, a compliment should be extended to PLUS for accepting and not pushing ahead with its plan although it has the right to do so under the concession agreement.

A fact which did not escape Lee's attention who remarked that as a responsible corporate citizen, the private sector was duty bound to put its shoulder to the wheel together with the others in times of strife and hardship.

A Federation of Malaysian Consumer Associations spokesman said the Government deserved praise for not allowing any increase in toll rates.

"The prices of many things, like sugar, chicken, condensed milk and flour, have either been increased or will go up soon. An increase in toll charges now will be a terrible blow to Malaysians."

He said the move to maintain toll charges should not only be a short term measure. "It should be extended to 1999 and beyond."

Samy Vellu was non-committal when asked on this. "The message that the Government wants to convey is that there will be no increase next year. Everything else, we talk later."

No doubt PLUS and the Government will have a lot of things to talk about as various matters on the agreement need to be reviewed.

An amicable and win-win solution has to be found as the Government could not afford to allow PLUS to face any difficulties.

As stated by Anwar recently, the toll increase issue has put to a real test the Government's privatisation programme.

Its success or failure depends very much on how wisely the matter is handled.

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