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Highway concessions to be reviewed (HL)

Patvinder Singh

KUALA LUMPUR, Thurs. - In view of the economic situation, the Government will review all highway concession agreements to seek reduced toll rates and an extended collection period, Works Minister Datuk Seri S. Samy Vellu said today.

He said there was a possibility of new agreements being drawn up.

The Cabinet, Samy Vellu said, had decided to discuss the agreements with the concessionaires. There was no time-frame for the review, but he added that "the review would take a long time".

He said the Government decided at its Cabinet meeting two weeks ago that in view of the economic situation, all toll rates must be reduced.

"We must review the North-South Expressway agreement and MTD's (Malaysia-Thai Development's) agreement for the Gombak-Karak stretch. We will call for a meeting with all the other private companies with whom we have signed agreements."

Samy Vellu said this after visiting a new RM1.5 million building for Sekolah Jenis Kebangsaan (Tamil) Batu Caves.

Asked what the focus of the review would be, he said: "Review all toll rates. When we discuss toll rates, the agreement is terminated and we must have a new agreement.

"For the new agreement, the Government has proposed to extend the collection period and reduce the toll rates."

He said the review would also cover companies constructing highways and those which would be collecting toll soon.

He said he did not know how many of the companies which had secured approvals for their road projects would continue implementing them, given the economic condition.

It is understood that among concession agreements to be reviewed are Projek Lebuhraya Utara Selatan's North-South Expressway, MTD's Gombak-Karak Highway, Linkedua's Singapore-Malaysia Second Link, Expressway Lingkaran Tengah's North-South Expressway Central Link, the North Klang Straits By-Pass (Shahpadu), Shah Alam Expressway (Kesas) and the KL-Klang Highway (PLUS).

Both PLUS' and ELITE's requests to increase toll rates have been rejected.

Their requests for a toll increase had caused a furore last month with calls from all quarters to the Government not to allow the increase.

Cuepacs had called on the Government to take over PLUS' concession just as it had for the Bakun Dam project.

In the case of PLUS, the Government will have to pay RM75 million this year and RM125 million next year as compensation.

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

Both Prime Minister Datuk Seri Dr Mahathir Mohamad and Deputy Prime Minister Datuk Seri Anwar Ibrahim had called on the private sector to play their role in weathering the economic problems.

On Monday, Umno Youth leader Datuk Ahmad Zahid Hamidi had called for an extension of the 25-year concession period for PLUS.

"We have asked the Government to postpone the toll increase and to extend the duration of the concession. We feel it is a win-win situation for both parties because consumers will not be burdened and PLUS will not stand to lose," he had said.

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