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PM offers ways out of impasse on highway

KUALA LUMPUR, Thurs. - Prime Minister Datuk Seri Dr Mahathir Mohamad today offered several suggestions to the Terengganu Government to break the impasse over the proposed East Coast Highway and the collection of toll.

He said the State Government could subsidise the portion which runs through Terengganu by providing land free of charge to the concessionaire or bearing part of the toll charges.

He also said if the State Government could afford to build the road on its own and impose a toll which it felt was reasonable, it could also do so.

"They (the State Government) ask for a toll which does not burden the people. Traffic on this road will not be as high as those in the West Coast. If the toll is too low, it will be difficult for the concessionaire to get returns.

"One way to reduce tolls is for the Government to give subsidies," he told reporters after launching a commemorative millennium gold coin produced by Mariwasa Kraftangan Sdn Bhd for Bank Negara Malaysia.

He was commenting on the Pas Government's initial refusal to have toll imposed on the East Coast Highway in line with its promise to voters. Yesterday, Pas agreed that toll was necessary as it was a privatised project but wanted an assurance that the rates would not burden users.

The 338-kilometre highway to link Karak in Pahang to Cendering in Terengganu was to be built in stages. The Government will spend RM830 million during the first phase which would cover 107km.

Dr Mahathir said the Federal Government had in fact subsidised the construction of all expressways, thereby keeping toll rates at a level which was the "lowest compared to other countries".

The Federal Government did this by handing over land or existing roads to the concessionaires to help keep costs down.

He suggested that the Terengganu Government do the same.

Asked about the Terengganu Government's aim to attract foreign investment, Dr Mahathir said the Government had always encouraged investment in any part of the country.

"We ourselves have invested in Terengganu. Petronas and its partners have invested a total of RM60 billion in Terengganu alone. Practically every petro-chemical project is located in Terengganu," he said. There were also other big industries like Perwaja Steel.

Asked if these projects would continue, he said they would.

"We can't pick up these things and take them to Kedah. I would like to do that very much but that's impossible," he joked.

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