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Mahathir-Toll

TOLL HIKE NOT MUCH, SAYS MAHATHIR

KUALA LUMPUR, Jan 19 (Bernama) -- The government had to raise toll charges to avoid paying 100 per cent compensation to highway concessionaires as stipulated in the concession agreement, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He, however, said the increase would not be taxing to highway users.

"It's only a slight increase as the government is absorbing 60 per cent of the actual toll charges to be imposed," he told reporters at his Hari Raya open house at his official residence "Sri Perdana" here.

He was asked to comment on the announcement by Works Minister Datuk Seri S. Samy Vellu last Friday that toll charges for four expressways would be increased after the Chinese New Year next month.

They are the North-South Expressway, Elite Expressway, Shah Alam-Klang Expressway and Kulim-Butterworth Expressway.

Various groups including the Federation of Malaysian Consumer Associations (Fomca), Malaysian Youth Council, Members of Parliament and political parties have objected to the increase.

Dr Mahathir said highway users need to bear only 40 per cent of the increase while the balance would be borne by the government.

"The government is absorbing 60 per cent of the increase and passing on 40 per cent to the highway users because it feels people will have problems (to fully bear the increase)," he said.

Samy Vellu said yesterday the government paid RM200 million in compensation to highway operators last year because their requests for toll increase were turned down.

Dr Mahathir said toll charges would be even more higher if the government did not honour its agreement with the highway operators.

To ease the burden of highway users, the government had to subsidise part of the increase, he said.

"When we privatised the highways, we have agreed to increases in toll charges to pay for the construction cost of the highways," he said.

Asked whether with his explanation the toll rates for the four expressways would be raised after the Chinese New Year, Dr Mahathir said: "If we don't raise the rates, then the government has to pay 100 per cent (compensation) as required under the agreement.

"This means the government cannot use its funds for other projects like financing rural development projects," he added.

On the world crude petroleum price dwindling to US\$5 from the present US\$10 per barrel, Dr Mahathir said Malaysia did not depend too much on oil.

"If the oil price becomes too low, we can even stop production or reduce production," he said.

Dr Mahathir said Malaysia would then produce enough for its domestic consumption.

Meanwhile, Samy Vellu clarified today that his announcement on toll hike was a Cabinet decision.

"It is not my decision, it is the government's decision," he told reporters at Dr Mahathir's Hari Raya open house.

He admitted that the increase in toll charges was an unpopular decision but it was inevitable.

Samy Vellu also said there would be a yearly review of toll rates for the North-South Expressway until the expiry of the concession agreement.

He said the Treasury and Projek Lebuhraya Utara-Selatan (Plus) Bhd, the

expressway concessionaire, were discussing the possibility of extending the concession period for the company as a way to curb toll hike.

-- BERNAMA

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