

# Public views to be considered on future highways

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## Toll rates are at low level, says PM

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PETALING JAYA, Mon. — Privatisation of expressways in future will only be undertaken after the people have been given an opportunity to give their views, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said if the public was not prepared to pay the toll rates which were already subsidised by the Government, new expressways would not be built until the Government has the funds to do so.

"This will take a long time of course, but that is the only choice. Government funds are needed for projects more essential than the convenience of road users," he said.

Speaking at a conference on the National Vision Policy, Eighth Malaysia Plan and Privatisation, he said the Government was constantly criticised for "helping its cronies to make fat profits".

"Nothing is further from the truth," he said.

It was true that the Government had sold its assets like highways at nominal cost and had even provided soft loans but this was meant to reduce the burden of the public.

For instance, the Government fixed toll rates at a very low level to avoid political repercussions.

"At these rates, the private corporations cannot make a profit if they had to pay for the real assets value and did not get soft loans," he said. The clear beneficiary was

the public who paid low toll rates.

In fact, he pointed out, highway concessionaires have yet to make profits and they only have 30 years (the concession period) to do so.

He said the public paid only an insignificant amount for the facilities which were normally available only in developed countries.

Without privatisation, Malaysia's system of expressways, ports, power plants and telecommunication facilities could not be built.

"The Government is not abdicating completely its responsibilities," he said, adding that it had subsidised the rates of payment through transfer of assets at nominal cost and provision of soft loans.

Dr Mahathir said the Government still had faith in privatisation and has learnt a lot from the failures of privatised companies during the economic turmoil.

Privatisation, like nationalisation, was not perfect. "Carefully managed, it can work," he said.

But it can also fail if the people involved were incompetent or economic downturns ruin the business, he said, acknowledging that a number of privatised companies had failed during the 1997/98 economic turmoil.

He said free market advocates believed that the failed companies should just be allowed to die or sold to anyone, including foreigners, at fire-sale prices.

"But the Malaysian Government does not believe in washing its hands of the affairs of compa-

nies that it has privatised.

"There are too many things at stake, including the welfare of the workers and public interest," he said.

Simply selling off these companies could lead to serious social and economic problems, he said. That was why the Government had decided to help out and take back several companies.

On the privatisation of hospitals and universities, he said the cost of providing these amenities had become very high and those who can afford it should pay.

He said the Government did not want to shirk its duties but unless hospitals and universities were privatised, there was no way to retain the staff on public service salaries.

"That is the dilemma faced by the Government," he added.

He also said Malaysia believed in development planning and now that the currency and stock market manipulators had been "disciplined", the Government could focus on economic growth again.

Malaysia, he said, is a trading nation with total trade amounting to 12.5 per cent of its Gross National Product.

He said since the US economy was on the slide, new markets have to be found and he believed that the potential was good.

"We believe we can still attain our vision to become a developed country by 2020," he said.

Dr Mahathir later launched a publication by the Asian Strategy and Leadership Institute, entitled *21st Century Malaysia*.