

Pakatan's plan to abolish toll detrimental to EPF
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The opposition's proposal for Khazanah Nasional Berhad and the Employees Provident Fund (EPF) to takeover 19 highway concessionaires if it comes to power could prove detrimental to shareholders and subscribers.

Aimed at abolishing toll roads, if the EPF takes over the concessionaires, an undertaking that the dividend rate will not fall below 2.5 percent guaranteed under the EPF Act 1991 could not be fulfilled.

The EPF, a social security institution that provides retirement benefit based on contributions made over employees' lifetime, invested substantially in many highway concessions.

On Feb 20, the EPF announced a dividend of 5.8 percent for the financial year ended Dec 31, 2010, up 15 basis points compared to 5.65 percent for the year 2009.

The total dividend paid out stand at RM21.61 billion and it was the highest ever. It was an increase of 11.55 percent over the 2009 dividend.

EPF chairman Samsudin Osman said that returns from investment in 2010 were primarily generated from the performance of equity investments.

Among toll concessionaires where the EPF hold equities are Plus, Expressway Lingkaran Tengah Sdn Bhd (Elite), Linkedua (Malaysia) Berhad, Konsortium Lebuhraya Butterworth-Kulim Sdn Bhd, Lebuhraya Pantai Timur under the MTD Group, New Pantai Expressway Sdn Bhd, Besraya (M) Sdn Bhd and Lebuhraya Kajang Seremban Sdn Bhd (Lekas) under IJM.

In addition, the proposal to abolish tolls as spelt out in the opposition's 'Orange Book' will put many employees at the 19 concessionaires out of jobs.

Malaysia will turn into Greece

Deputy Minister of International Trade and Industry Mukhriz Mahathir said the proposal would lead the country on path towards severe economic crisis like Greece.

"Maybe the opposition could afford to do that by getting financial support from outside the country as the opposition leader is on good terms with a number of foreign governments," said Mukhriz.

He said it was not impossible for the opposition to print money like the United States or to borrow from the International Monetary Fund (IMF) and World Bank to overcome the financial turmoil.

Member of parliament for Kota Belud Abdul Rahman Dahlan said the proposed takeover of 19 concessionaires would cost RM50 billion and the country could go bankrupt in two years if the opposition had its way.

MP for Kinabatangan Bung Moktar Radin said the proposal was nothing more than empty

promises by the opposition in its pursuit to get the people to vote for it in the 13th general election.

The Orange Book was officially launched at the opposition's second convention in Kepala Batas last year.

The book contains the opposition's 10 pledges, involving expenditure of about RM19.2 billion, that it claimed would be implemented within 100 days should it capture Putrajaya.

- Bernama

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