

Up to 67% increase in toll rates proposed
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The Performance Management and Delivery Unit (PEMANDU) is proposing an increase in toll rates as per concession agreement in order to help reduce government expenditure and national debts.

This will save the government RM3.75 billion in the next five years, said Minister in the Prime Minister's Department, Idris Jala.

However, this will be applicable only for toll highways which have alternative routes, he said at PEMANDU's Subsidy Lab Open Day for public opinion on subsidy cuts at the Kuala Lumpur Convention Centre today.

"If tolls are done away with, the amount of income tax will increase for the next 20 years," said Idris Jala.

Under the proposal, all concession agreements are to proceed without subsidies, resulting in a toll hike of between 10 and 67 per cent for 2010.

As part of a mitigation plan within the proposal, Idris Jala said, heavy toll users shall be given a discount of 20 per cent upon next reload for more than 80 transactions per month.

Malaysia is one of the most subsidised nations in the world, he said, adding that the country enjoyed more subsidies than the Philippines, India, China and even Somalia.

The government taskforce, PEMANDU, for which Idris Jala is the chief executive officer, is seeking feedback on how to revamp subsidies so that it will be given to the right income group.

Idris also said the proposed subsidy cuts for controlled items like sugar, flour and cooking oil will be carried out in stages so as not to burden the people.

He said for a start, the recommendations made by the subsidy rationalisation laboratory on the matter would be taken to cabinet to be scrutinised and finalised.

"The Cabinet will also be briefed on public feedback received today in regards to the cuts so that they can make the final decision," he said.

He said the laboratory had proposed that the flour subsidy be abolished as the price of the commodity was expected to increase by 20sen per kg by year end and a further 25 sen per kg next year.

The price of sugar was also expected to rise by 20sen per kg every six months until 2012 while the price of cooking oil would rise by 15 per cent per kg by year end and another 15 per cent next year, he added.

Idris said based on the feedback received, the majority of the public agreed with the proposal to abolish subsidies.

"Most of the people in Malaysia agree that we have to do something, but most of them also said not to do it all at once because it will be quite painful. We have to do it over a longer

period of time," he added.

- Bernama

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