

PLUS will not be sold, toll reduced

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Cabinet extends toll operator's concessions by 20 years

KUALA LUMPUR: The Cabinet has decided that PLUS Malaysia Bhd, the country's largest highway concessionaire, will not be sold to any bidders.

Instead, its concessions will be extended by 20 years, said Prime Minister Tun Dr Mahathir Mohamad.

He said the extension came with the agreement that PLUS would reduce its toll rates by 18% and that there would be no more toll hikes.

The decision was made during the Cabinet meeting yesterday but Dr Mahathir did not say whether the matter was put to a vote.

"We have studied all the bids made by the private sector and also the bid by Khazanah Nasional. We decided that the best way was not to sell PLUS to anybody, but to keep it with Khazanah Nasional and the Employees Provident Fund (EPF)," he said.

He added that people need not worry about the 20-year extension because the new toll charges would be low after taking into account the future value of money.

"They (PLUS) have to reduce the toll rate by 18%, but remember, this is 18% off today's rates. That means

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in 20 years' time, the toll charges when compared with the ringgit then will not be very high.

"Traffic will increase, but the value and purchasing power of the ringgit will go down (because of inflation), so what they (PLUS) earn afterwards (over the concession period) is not as big as people think.

"This is because we are looking at it at the present rate, and it will be a flat rate minus 18%", Dr Mahathir told the media after officiating Balai Islam Complex at the Tenaga Nasional Bhd headquarters in conjunction with its 70th year.

In an immediate reaction, several groups say the government should come up with effective policies and measures to encourage Malaysians to take public transportation instead.

Federation of Malaysian Consumers Associations chief executive officer Datuk Paul Selvaraj said transportation is the third largest component of the cost of living.

"The reduction of the toll rates



will benefit individual vehicle owners but the focus should be on public transportation, to get the people out of their cars and on the public transport system.

"We do not have reliable public transportation, so people are actually forced to use their cars, and when you're forced to do that, you need to factor in parking, toll and other charges, which add up to the cost of living," said Selvaraj.

Malaysian Public Transport Users Association president Ajit Johl said the association disagrees with the measure of reducing toll rates, add-

ing that it does not make sense to do so.

"Billions of taxpayer funds have been used to improve public transport, but the policies that encourage users to switch modality from private to public transport are hardly seen. The reduction of toll rates and the delayed fuel subsidy will only encourage the use of private vehicles.

"This is definitely a shift back to the 80s mentality, where a person is judged by vehicle ownership," he said.

PLUS is owned by the UEM Group

First meet with team at Education Ministry

Prime Minister Tun Dr Mahathir Mohamad attending his first meeting with the Education Ministry's top officials after assuming the post of acting head of the ministry. On Dr Mahathir's left is ministry secretary-general Datuk Dr Mohd Gazali Abas and Deputy Education Minister Teo Nie Ching (right). Dr Mahathir had announced that PLUS would not be sold when he attended Tenaga Nasional's 70th anniversary celebration earlier yesterday. — Bernama

— a subsidiary of Khazanah Nasional — and EPF.

Khazanah has a 51% stake in PLUS, with EPF holding the remaining shares.

Khazanah had proposed that the best entity to take over PLUS was, in fact, the government. It was reported that four other players vying for PLUS had offered cash for control of the concessionaire.



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