

Takeover of highway concessions bad for image

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There will be a negative impact on the government's image if it proceeds to take over all highway concessions in the country, the Works Ministry said in a written answer in Parliament.

Answering a question from Hanipa Maidin (PAS-Sepang), the ministry said taking over the concessions, which would give toll rate relief for the people, would be seen as a "nationalisation" move that would erode investor confidence.

"This will give a negative impact for the capital market," the ministry said.

The ministry also insisted that RM400 billion would have to be forked out by the government if it proceeds to take over highway concessions in the country.

Hanipa had asked in his question if the government would take over highway concessionaires so that they would not have to compensate concessionaires every time they wish to put off a scheduled toll hike.

PAS' Shah Alam MP Khalid Samad, who was at the same press conference with Hanipa in giving out the written answer, said that taking over concessionaires would be good for the government's image, and not bad.

"In fact, it is a good thing because you are doing it for the benefit of the rakyat," Khalid said.

Despite promising in its election manifesto to reduce toll rates if it wins, the government mooted raising intra-city tolls for 2014 late last year.

Following a backlash, including from their own members who reminded the government of the election promise, the government decided to compensate toll concessionaires with RM400 million in order to put off the scheduled toll hikes.

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