

**RM400 bil for highway buyback wrong, says Tony Pua**  
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**By Stephanie Jacob**

Tony Pua, Member of Parliament (MP) for Petaling Jaya Utara has dismissed the government's suggestion that it will cost RM400 billion to buy back all highway concessions, saying that the amount is highly inflated.

Questioning how the Works Minister Fadillah Yusof arrived at the figure, he highlighted that the current 26 tolled highways in operation across Peninsula Malaysia only amounted to RM28.5 billion to construct. This sum includes land acquisition costs but largely excludes concessionaires' financing costs.

Calling the government's estimate incredulous, the MP asked if "the Government (is) attempting to compensate these concessionaires for the loss of future profits, despite the fact that the highway concession agreements explicitly state that the Government doesn't have to make such compensations?"

He said that if the extra costs were going towards compensating the concessionaires, then it defeated the purpose of the buy back in the first place. Adding that the government "might as well let these concessionaires earn the profits over the next 2 decades or more, instead of laughing all the way to the bank at one go."

"Worse, if the RM400 billion figure is indeed the compensation for the loss of future profits, it means that ordinary Malaysians will actually be paying toll over the next 2 decades to let these fat concessionaires earn more than RM370 billion in profits!" said the MP.

Almost all of the concession agreements (excluding North South Expressway and the Penang Bridge) have mutually agreed clauses which allows for the federal government to buy back the concessions based on the cost of construction with a guarantee that the concessions would have received a 12% return on each of the prior years of operation.

Therefore said Pua, even in assuming that the highways did not make any money at all over its operations, the buyback costs would still only hit an estimated maximum of RM50 billion – just an-eight of the government's estimate.

As most of the highways have been making profits in excess of the 12% over the past years, there is no need for the government to compensate the concessionaires for their previous operating years, he added.

Furthermore, there is no need for the government to acquire all the highways at one go, said Pua. Adding that they should just focus on taking over the highways which "are clearly making unreasonable profits, such as the LDP with a net profit margin in excess of 40% to ease the burden of the rakyat."

He concluded that based on the Works Minister's answers and the estimate, it appeared that the government was not serious in wanting to reduce the burden of citizens and instead was just looking to protect the interest of a few crony companies.

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