

## **Toll hikes better now than later, says report**

### **Malaysian Insider**

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Experts say Putrajaya's move to hike toll rates on several major highways is best done now, ahead of the 2016 Budget and the next general election due in 2018.

In a report by The Business Times, economists defended the move, saying it would reinforce the government's commitment to subsidy rationalisation and allow better focus when next year's budget is tabled on October 23.

"If you want to make the budget as people-friendly as possible, you would do this outside the budget," Hong Leong Investment Bank economist Sia Ket Ee was quoted as saying.

Sia added that the toll hikes were in fact long overdue, and that according to his calculations, the impact of the new rates could add less than 0.1% to the consumer price index.

The report also cited political analysts who said it was better that Putrajaya enforce the new rates before the next general election.

Amid continuing urban dissatisfaction with Prime Minister Datuk Seri Najib Razak's Barisan Nasional-led government, "Putrajaya has likely decided that it has little to lose", it said.

On Monday, 12 major highway concessionaires in the Klang Valley announced an increase in toll rates, ranging from between 10 sen and RM6.

The new rates, which come into force tomorrow, affect the Kuala Lumpur-Karak (KLK) Expressway, Maju Expressway (MEX), Kajang Highway-SILK, Duta-Ulu Kelang Expressway (DUKE), Stormwater Management and Road Tunnel (SMART), KL-Kuala Selangor Expressway (LATAR), Sungai Besi Highway (BESRAYA), New Pantai Expressway (NPE), Kajang Seremban Highway (LEKAS), Damansara Puchong Highway (LDP), Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT) and Cheras-Kajang Highway (GRAND SAGA).

In Penang meanwhile, toll rates at the Butterworth Outer Ring Road (BORR) will increase beginning October 15. Lingkaran Luar Butterworth (Penang) Sdn Bhd said the revision would apply to all classes of vehicles except for Class 5, that is buses.

At the Perai and Bagan Ajam toll plazas, Class 1 vehicles will be charged RM1.50 while the same category will pay RM1.20 at the Sungai Nyior toll plaza.

Class 2 vehicles will have to pay RM3 at the Perai and Bagan Ajam toll plazas, and RM2.40 at the Sungai Nyior toll plaza.

Elsewhere, Class 3 vehicles will pay RM3.60 at the Sungai Nyior toll plaza, and

RM4.50 at the Perai and Bagan Ajam toll plazas.

Taxis will be charged 80 sen at the Perai and Bagan Ajam tolls, and 60 sen at Sungai Nyior.

The rate for buses will remain unchanged.

News of the toll hikes was met with public outrage as Malaysians continue to struggle with the rising cost of living and the falling ringgit.

"The people are already having a hard time making ends meet. Instead of stimulating the economy, the government is further burdening the people," said motorist Huang Congxian, 47.

"Is there a reason for this increase?" asked another. "Things are getting so expensive and the value of the ringgit keeps dropping but our earnings are staying the same. It is already quite taxing as it is."

Opposition lawmakers have also criticised the move, saying that Najib had promised Malaysians that there would be a "gradual reduction of intra-city tolls" in the five years after the election.

"The corruption, wastage, inefficiency and misappropriation of government funds have taken a toll on government expenditure," said Petaling Jaya MP Tony Pua.

"Despite massive increases in revenues over the past two decades resulting from the oil price boom, Malaysians not only have to pay heavily to use our own highways, the federal government is now so impoverished it needs to raise new taxes like the goods and services tax."

Others like Batu MP Chua Tian Chang said the toll hike was unjustifiable, while Segambut MP Lim Lip Eng said they were a clear sign that the government lacked funds.

PKR secretary-general Rafizi Ramli meanwhile said Najib's policies in increasing the burden on Malaysians were "suicidal" as they could slow down the country's economic growth because of dwindling domestic market.

"It is madness for a government who is facing investor confidence crisis, to do anything that weakens the buying power of the consumer that will weaken the domestic consumption," he said.

Last November, Putrajaya decided to postpone raising the toll rates for 20 highways across the country.

Putrajaya said it had to forked out nearly RM560 million to concessionaires last year as compensation to maintain toll charges.

The last major toll hike took place more than eight years ago in 2007, when the government raised the toll on the Damansara-Puchong Expressway from RM1 to RM1.60. – October 14, 2015.

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