

Budi95 initiative seen as catalyst for licensing reform

➤ Analysts say it could encourage more motorists to renew documents, pay fines and obtain insurance, in shift that could improve road safety and enforcement

■ BY QIRANA NABILLA MOHD RASHIDI
newsdesk@thesundaily.com

PETALING JAYA: The rollout of the Budi95 fuel subsidy at the end of this month could indirectly push errant motorists to renew their licences and settle summonses in order to qualify for lower RON95 prices, road safety experts said.

Road safety and sustainable transport activist Shahrim Tamrim called the initiative a potential turning point in addressing unlicensed driving and weak enforcement. He said it could be a catalyst for laws requiring a valid licence before vehicle ownership.

"If the new era of petrol subsidy rationalisation runs smoothly in line with the robust Road Transport Department (RTD) database in the next 24 months, we can expect ripple effects against stubborn groups, including the T15 category (the wealthy group), who will be forced to ensure that their

driving licences and road tax are valid."

He added that if the government leverages the Budi95 rollout with RTD and police data under the upcoming Kejara system, motorists could be prompted to clear an estimated RM500 million in unpaid traffic summonses before reactivating their licences to qualify for the subsidised fuel.

"For decades in Malaysia, people without a driving or riding licence have been able to buy cars or motorcycles freely, whether in cash or on loan. There has never been a requirement to show a valid licence, making it common for unlicensed individuals to own anything from a *kapcai* motorcycle to luxury cars and SUVs."

He said in small towns, rural areas and plantations, parents without licences often buy motorcycles for children as young as 12 to ride daily.

As a result, Bukit Aman Traffic statistics show thousands of children and teenagers have died in motorcycle accidents over

the years.

"In fact, skipping road tax and insurance renewals has been normalised due to weak enforcement. It is also not a big secret that many owners of luxury vehicles, including high-powered motorcycles, have never had a valid driving licence."

He said the problem worsened after RTD and the Transport Ministry adopted digital systems that removed the need for physical road tax stickers.

On Wednesday, RTD revealed that 2.4 million of the country's 15 million licence holders no longer have active licences, while 925,421 have expired for less than three years.

"Budi95 is seen as a headstart for the government to draft a new law to ensure anyone who wants to own a motorised vehicle must have a valid driving or riding licence," Shahrim said.

Universiti Putra Malaysia Road Safety Research Centre head Assoc Prof Dr Law Teik Hua agreed linking the subsidy to valid licences could reduce the number of uninsured road users.

He said restricting subsidised fuel to those with proper documentation creates a monetary incentive for compliance.

"The programme will likely push more lower and middle-income drivers to renew their licences, road tax and insurance, as losing access to subsidised petrol would cost them more than the renewal itself. Yet it may have limitations among richer segments or informal operators outside cities, where compliance issues tend to be more structural, such as difficulty accessing licensing offices or affording insurance premiums."

Law said Budi95 could be a stepping stone towards stricter regulations.

"To maximise impact, the policy must be supported by enforcement and awareness campaigns, with road checks and community partnerships helping to curb uninsured or underage riders and make compliance a social norm."

"With less expensive fuel becoming increasingly difficult to obtain without documentation, it effectively raises the deterrent for underage riders or those without valid licences who frequently depend on motorcycles in townships. Although not necessarily a solution in itself, alongside community-level education and enforcement, this policy would ideally act to deter risky driving behaviours that are primarily responsible for road accidents."



The RON95 petrol subsidy is for Malaysians aged 16 and above with a valid MyKad and an active driving licence. – AMIRUL SYAFIQ/THESUN