

PM: Langkawi may lose free port status

By Paul Gabriel

PULAU LANGKAWI, Sat. — Langkawi's free port status may be revoked because the island's development is not going the way the Government intended it, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said it was pointless for Langkawi to retain the status because traders had abused it by selling tax-free goods at very high prices.

He said land prices, instead of being cheap, were also escalating, and had "equalled rates in Kuala Lumpur."

"I am very sad as our hope then (when the free port status was granted to Langkawi in 1987) was to lure investors," he told newsmen after launching the Langkawi Draft Structure Plan (1990-2005) exhibition at Sekolah Kebangsaan Kuah.

"But since our aims have failed, the question now is whether Langkawi

deserves to retain its free port status.

"We believe that Langkawi can continue to develop by relying on its pristine beauty and history and legends."

Dr Mahathir was asked to elaborate on Langkawi's free port after he mentioned the possibility of withdrawing the status in his speech earlier.

He said the Government granted the free port status to Langkawi to speed up its development

because "there was a time when no one wanted to come here."

Asked whether Langkawi would suffer the same fate as Penang, Dr Mahathir replied: "Our aim was to protect Langkawi with a free port status until a time when its development reached a take-off stage, as in the case of Penang."

In his speech earlier, Dr Mahathir said the Government was prepared to forsake tax revenue from Langkawi, but added that

its residents would not benefit if they did not seize the opportunities.

He said that there should be equal emphasis between commercial and aesthetic interests in Langkawi.

"Do not blame the Government if Langkawi folk are forced to squat with others because of their failure," he added.

Dr Mahathir said the tourism industry's survival depended on satisfactory services and good treatment of tourists.

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