

Traders have reduced prices of goods, says Dr Mahathir

# Langkawi stays a free port

**By Syed Abu Bakar**

LANGKAWI, Mon. — Pulau Langkawi will retain its free port status because traders on the holiday island have taken steps to reduce prices of goods sold here, the Prime Minister announced today.

Datuk Seri Dr Mahathir Mohamad said the Government would not withdraw the provisions which made it a free port in 1987 since the local business community had taken note of his reminders not to charge steep prices for duty-free goods.

However, Dr Mahathir said he was still unhappy with some traders who persisted in reaping big profits despite the reminders.

Dr Mahathir had earlier warned traders on the island that the Government would withdraw its free port status if prices continued to be high.

Speaking to reporters after a day-long visit here, Dr Mahathir said the free port status had been given to Langkawi to enable consumers to buy imported goods at lower prices than on the mainland.

However, some traders had exploited this status to maximise profits by selling goods at high prices.

He said that this had defeated the purpose of granting free port status to Langkawi.

Dr Mahathir said there had been a favourable response to his warning resulting in a drop of prices to a certain extent.

He said he would allow the free port status to remain.

His earlier announcement that the Government might withdraw the status had caused concern among traders who feared that this would affect their businesses.

Dr Mahathir said Langkawi was now the fastest developing tourist centre in Malaysia. The decision to retain the free port status would help ensure that the island would be developed into a major tourist destination.

The Prime Minister said he had not visited Langkawi for some time and that he wanted to see for himself the development there.

Dr Mahathir visited all the major projects today, including the airport extension, construction of new hotels in Pantai Tengah, the park and Kelana Mas land reclamation project at Kuah, the development of the Tanjung Rhu tourist spot and another project on Gunung Raya.

He said the Langkawi Development Authority (Lada) would build a 300-room hotel to help speed up accommodation facilities in view of the influx of tourists to the island. The hotel is expected to be completed in four months.

The Prime Minister said the airport extension project was expected to be completed a month ahead of schedule and in time for the big air-marine show.