

# -Government to review certain tax incentive%

By **KARTINI ABD. KADIR**

SOME tax incentives will be reviewed by next year to enable the country to further **enhance** its infrastructural activities so that investors can enjoy an efficient and modern environment that grows in tandem with increased foreign **investment**.

**Prime Minister Datuk Seri Dr Mahathir Mohamad** said the review is necessary because there has been a mismatch between the growth of government revenue and growth of the economy.

He said government revenue grew at 2.3 per cent a year while the economy consistently grew at more than 7 per cent a year over the last few years.

Datuk Seri Dr Mahathir **explained** the need to review the incentives in his meeting with **Marubeni Corp's** world president, **Mr Tomio Tatsuno**, in Kuala Lumpur yesterday.

In an interview with Business Times after the meeting, **Mr Tatsuno** said his discussions with the **Prime Minister** covered economic issues and areas where Marubeni can **further** contribute, in line with the Second Outline Perspective Plan (OPP2) which was launched recently.

Marubeni's activities in Malaysia were also highlighted in the meeting. "Our \$60 million joint venture project with Hume Industries to manufacture medium-density fibreboard in **Nilai**, Seremban, will begin operations early next year.

"The joint venture company, Malaysian Fibre Board, will produce 50,000 tonnes of medium-density fibreboard a year. This will contribute effectively towards the conservation of tropical forests as production of the fibreboard involves a newly-developed technology which provides significant substitute for woodchips and sawn timber," said **Mr Tatsuno**.

With a workforce of 66 Malaysians and 19 Japanese, Marubeni has offices in Kuala Lumpur, Kota Kinabalu, Sandakan, Sibul and Kuching. Its activities in Malaysia are mainly in construction machinery, chemicals and telecommunications systems.

Some of Marubeni's business activities include supplying steel to offshore platform manufacturers, supplying pipes for the Peninsular Gas Utilisation project, handling contracts with Telekom Malaysia and sub-contracting the supply of steel to the Malacca refinery project. It is also a major buyer of methanol produced by

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Sabah Gas Industries.

"We are also vigorously pursuing new projects such as those in petrochemicals, iron and steel, and those involved in power plant development," **Mr Tatsuno** said.

Marubeni is also participating in joint ventures with 18 companies locally which are involved in the manufacture of pesticides, aluminium sash and plywood, steel fabrication and construction of telecommunications facilities.

**Mr Tatsuko**, who had earlier visited Singapore, arrived in Kuala Lumpur on Thursday. After his meeting with the **Prime Minister**, **Mr Tatsuko** called on Chief Secretary to the Government **Tan Sri Ahmad Sarji Abdul Hamid**. He is scheduled to leave for **Osaka** today.

Reputed to be one of the world's five largest sogo-shas, Marubeni's worldwide trading transactions totalled about **US\$140 billion (US\$1 = M\$2.78)** for the year ended March 1991.

The Japan-based corporation has nine business groups — textile, metals, construction, energy, chemicals, agri-marine products, general merchandise and two machinery groups. The groups operate export, import, domestic and offshore trade through their global network.