

Dr M: Tax exemption⁸ hours- won't be cut^{\$10.8.98}

LANGKAWI: The Government is not prepared to lower the tax exemption period for visitors to the duty-free island from 72 hours to 48 hours, Datuk Seri Dr Mahathir Mohamad said yesterday.

He said the Government needed the revenue and if the period of stay was reduced, there would be requests for further reductions.

"If we reduce it to 48 hours, then they will ask to reduce it to 24 hours.

"And if we reduce that to 12 hours, they will ask for six hours and in the end, the people don't have to come here to enjoy free duty," he said, adding that people from the mainland could then purchase items through the postal service.

"The Government also wants a bit from these special facilities," he said in reference to

revenue in the form of taxes from visitors leaving the island.

Dr Mahathir said if there was no such rule for the island, shops on the mainland could close because everyone would come to Langkawi to buy goods.

The proposal was made by Persatuan Peniaga Rumiputra Langkawi which argued that with shorter hours, more people would visit and shop on the island.

The present rules require a visitor to stay on the island for 72 hours or more to enjoy tax exemption on certain items.

Dr Mahathir also ticked off tour agents in the country for "demanding unreasonable returns" from tour operators.

He said the agents should not be too greedy because this would kill the industry.