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Budget-Promotion

GOVT ALLOCATES RM313 MLN FOR INVESTMENT AND TOURISM PROMOTION

KUALA LUMPUR, Oct 23 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said RM313 million has been allocated next year for investment and tourism promotion activities overseas so as to support the economic recovery plan.

Off that amount, RM170 million is for tourism promotion and RM143 million to convince and attract more foreign investors and traders, the Prime Minister said when presenting the 1999 Budget .

Dr Mahathir, who is also First Finance Minister, said the International Trade and Industry Ministry had been given the task of intensifying promotion missions including for primary commodities overseas.

In the tourism sector, the government was reviewing the promotion strategies and an additional allocation would be considered, he said.

It is expected that a total of 7.2 million tourists would visit Malaysia next year compared to 6.8 million this year, he said, adding that foreign exchange earnings were expected to increase to RM14.4 billion compared to RM12.8 billion this year.

To develop domestic tourism, Dr Mahathir proposed a tax exemption for income derived from domestic tour packages involving at least 1,200 local tourists annually.

He also said beginning January, one Saturday every month would be declared a holiday for the public sector while the private sector was encouraged to take a similar step.

To reduce the outflow of funds, Dr Mahathir announced tax exemption on benefits in kind in the form of free passages overseas extended to employees, be limited to a maximum of RM3,000.

Tax exemption for benefits extended for local travel up to three times a year would be maintained as this would promote local tourism, he said.

He also announced tax incentives as a means to encourage the use of facilities such as the National Sports Complex, National Theatre, National Art Gallery and the Petronas Philharmonic Hall which costs RM1.66 billion to construct.

Among the incentives include:

- \* income derived by non-residents performing in art and cultural shows, exhibitions, games and competitions be exempted from tax.

- \* income derived by organisers of sports, cultural shows, art exhibitions and carnivals involving foreign participation be granted tax exemption of 50 per cent.

- \* entertainment duty for cultural performance, art exhibitions, carnivals and sports be exempted and

- \* companies operating in free industrial zones or licensed manufacturing warehouses be granted import duty and sales tax exemption on goods sold during approved sales carnivals held in the National sports Complex, Bukit Jalil.

Dr Mahathir also announced tax exemption of income for drivers of "Formula One" and other forms of motor racing which are internationally recognised and held in Malaysia.

Organisers of such racing events held in Malaysia would also be given tax exemption of 50 per cent, he said.

Dr Mahathir also proposed tax exemption for a period of five years for activity in the leisure boats and yachts repair and maintenance in Langkawi.

He added this was in line with the efforts to make Langkawi a prominent

centre for repair and maintenance of leisure boats and yatchs in Asean.  
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