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BUDGET-CPO
WINDFALL PROFIT LEVY ON CPO

KUALA LUMPUR, Oct 23 (Bernama) -- The government today proposed that a windfall profit levy on crude palm oil and crude palm kernel oil when their prices exceed RM2,000 per tonne as a measure to increase government revenue.

The proposal would take effect from Jan 1 next year.

Prime Minister Datuk Seri Dr Mahathir Mohamad, in presenting the 1999 Budget, said the palm oil industry is currently enjoying excess profits due to high prices resulting from the depreciation of the ringgit.

"Therefore, it is appropriate for this industry to make additional contribution to government revenue," he said.

Under the proposal, when the price is in the range of between RM2,000 and RM2,050 per tonne, the levy would be an amount equivalent to the price in excess of the threshold. In other words, the rate of levy would be the difference between the selling price and RM2,000.

However, when the price exceeds RM2,050, the levy is at RM50 per tonne.

-- BERNAMA
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