

01 SEP 1999

Mahathir-Levy

EXIT LEVY WILL BE MAINTAINED, SAYS MAHATHIR

KUALA LUMPUR, Sept 1 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the present exit levy structure would be maintained.

He said the levy was adequate since foreigners were making money from capital gains which were not taxed.

"What do we get? (In the past), they (investors) bring money, buy shares, then make profits. When the shares appreciate, they dump the shares and take capital gains and we did not gain a single sen," he said.

Dr Mahathir told this to reporters who approached him on the matter after launching the 1999 International Construction Week at the Mines Exhibition Centre in Sungai Besi here.

The exit levy was imposed on Feb 15 to facilitate the repatriation of profits or capital gains from investments after the imposition of exchange controls on Sept 1 last year.

Asked whether the one per cent growth projection for Malaysia this year would be revised, Dr Mahathir said the government would have to look at third quarter's performance first.

"Any revision to the one per cent GDP growth projection for this year will be announced during the Budget," he said.

Referring to the lifting of the moratorium on profit repatriation from portfolio investments in the country today, the prime minister said he could not see anything unusual.

"It was worse earlier," he said in reference to the Kuala Lumpur Stock Exchange (KLSE) whose Composite Index had dipped to as low as 262.7 points on Sept 1 last year.

The KLSE today ended the day lower by 14.15 points to 752.91 in its leading 100 component-stock Composite Index.

-- BERNAMA

SHO SHY RYN