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Mahathir-Levy

REDUCED LEVY SHOWS MALAYSIA'S FLEXIBILITY, SAYS MAHATHIR

KUALA LUMPUR, Sept 22 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the 10 per cent flat tax levy on profits repatriated announced yesterday indicated the Malaysian government's flexibility in addressing investors' woes.

The government did listen to investors problems, he said, adding that it was aware of the difficulties and the losses and even other restrictions that have prevented investors from putting money in the country.

Quoting investors as saying, "Please, if there could be changes," Dr Mahathir said the government had responded to the requests.

"We (the government) said, we can, if the changes are not going to hurt us," he said at a dialogue prior to the launching of the Multimedia Asia Conference and Exhibition 1999 here today.

The prime minister also said the government was business-friendly and believed in the Malaysia Incorporated concept.

"This means that the government should sit down with the private sector and listen to them," he said.

He said if the private sector had good ideas, the government was willing to listen to them.

This was the reputation Malaysia enjoyed among foreign investors and that was why they came here to invest, he said.

Dr Mahathir also said the government would not make sudden changes, sudden twists and turns unless somebody applied "some new thing on earth which hurts us."

He said: "For example, we were quite happy to have our ringgit traded freely but somebody abused that privilege.

"This prompted the government to look after its interest but without hurting others.

"As you can see, it (the pegging of ringgit) had not hurt others which is why money is still flowing into the economy and investors are still investing in productive capacities in Malaysia," he added.

He said investors were even investing in the share market because they knew that the government would not do anything out of spite and out of some ideological belief.

-- BERNAMA

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