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Mahathir-Levy

LEVY EXEMPTION WILL NOT LEAD TO MUCH OUTFLOW, SAYS MAHATHIR

By: Tham Choy Lin

HONG KONG, Oct 28 (Bernama) - Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad said he does not expect any substantial outflow of funds from the country following the government's decision to exempt investors from paying levy on portfolio profits repatriated after one year.

"I don't expect there will be much outflow of funds from Malaysia. In any case, those who want to take out their money have already taken out their money; those who are left are serious people who are long-term investors," he told a news conference after delivering the keynote address on Asia and the future at the Asia Society gala dinner here tonight.

Dr Mahathir said when Malaysia eased capital controls last year, investors also did not pull out although it was assumed they would.

"But in fact they did not because they made lots of money by leaving their money within the country," he said.

He said Malaysia had made known the exemption in yesterday's national budget announcement to advise investors of the position.

"But since most of them are long-term investors, it is not really something that will affect the market badly. We think we have made the right move because there has been quite a lot of requests that we should abolish completely the 10 percent tax.

"But if we abolish it then we cannot reimpose it. But we have not abolished it," he said.

-- BERNAMA

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