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Handphones to be 30pc cheaper with abolition of import, sales taxes

Patrick Sennyah

KUALA LUMPUR, Wed. - Handphones and other wireless telecommunication equipment will soon be about 30 per cent cheaper following the Government's decision to abolish the 20 per cent import and 10 per cent sales taxes.

Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin said this was announced by Prime Minister Datuk Seri Dr Mahathir Mohamad, who is currently handling the Finance portfolio, at the Cabinet meeting today.

"My Ministry officials will meet all major handphone distributors soon to get their reaction to the decision and what kind of price reduction consumers can expect," he said after chairing his Ministry's post-Cabinet meeting.

He said the Government had made the decision following increasing cases of smuggling.

Due to this, he said genuine handphone dealers might be forced to close because their customers preferred to buy the smuggled ones.

These smuggled units, commonly known as terbang and "underwater", are being sold cheaper since no sales and import taxes were paid to the Customs and Excise Department.

"However, the Government has yet to confirm when the taxes would be abolished and is expected to make a decision following the meeting with the dealers. What consumers can be assured of is that with the abolition of the taxes, all handphones will definitely be cheaper."

Muhyiddin also said he would be launching a nationwide campaign tomorrow against get-rich-quick schemes in Alor Star.

He said there was a pressing need for such a campaign considering the increasing number of people, especially housewives in rural areas, who had been duped by such schemes. He said operators of such schemes had also been known to change their places of operation from time to time to avoid detection.

Among the highlights at these campaigns, which would continue for about a year, he said, would be talks by victims of such schemes. About RM1 million had been allocated as an initial amount to organise these campaigns.

On the use of double-faced weighing scales, he said the response among traders to use these scales instead of single-faced ones was encouraging.

Until June 2, he said the enforcement unit had solved 1,487 trade and consumer-related cases.