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Budget-Services

TOURISM AND EDUCATION GIVEN EMPHASIS IN 2002 BUDGET

KUALA LUMPUR, Oct 19 (Bernama) -- To generate economic activities and increase foreign exchange earnings, the tourism sub-sector is given an injection of RM613.9 million in the 2002 Budget tabled in the Dewan Rakyat today.

This amount allocated to the Culture, Arts and Tourism Ministry includes RM200 million for tourism promotion.

Prime Minister Datuk Seri Dr Mahathir Mohamad, when tabling the budget, said that to attract more tourists, additional facilities for recreational activities as well as tourism products would be provided.

Apart from government efforts, the private sector must take the lead in promoting the tourism industry more aggressively, he said. In this respect, the government will increase the Tourism Fund from RM200 million to RM400 million.

To encourage yachting tourism, 20 potential locations had been identified for marina development.

For 2002, RM5.4 million was allocated for the construction of marinas in five locations in the west and east coasts of the peninsula.

Dr Mahathir said income received from the rental of luxury yachts and motorboats would be exempted from tax for five years and the import duty on luxury motorcycles would be reduced from 120 per cent to 60 per cent.

In line with this reduction, he proposed that the import duty on other motorcycles be reduced from between 80 per and 100 per cent to 60 per cent.

He said the income tax exemption granted for foreign and local tourism business activities up to assessment year 2001 would be extended for another five years.

In addition, to reduce the cost of car rentals to tourists, the car rental operators would be granted excise duty exemption on the purchase of national cars.

Dr Mahathir said that to further promote Malaysia as a centre of excellence in education and to reduce the cost of providing educational facilities, all private institutions of higher learning and private language institutions would be granted exemptions on import duty, excise duty and sales tax on educational equipment, including laboratory fittings, workshops, studios and language labs.

Royalty payments received by non-residents from private institutions of higher learning for franchised educational schemes would also be exempted from income tax.

He said tax exemptions would be given to encourage industries to invest in higher value-added manufacturing activities such as logistics services, integrated market support services and utility services centres.

The incentives are income tax exemption of 70 per cent against statutory income for five years, income tax exemption of 85 per cent against statutory income for five years for projects located in the eastern corridor of peninsula Malaysia, Sabah and Sarawak and import duty and sales tax exemptions on equipment.

-- BERNAMA

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