

# Why revenue earned in Langkawi is far less than development cost

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LANGKAWI, Fri. The revenue earned by the Government from Langkawi is far less than the amount it spends in developing the island to promote tourism, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

He said this was because the Government did not earn anything from taxes as Langkawi was a duty-free island.

"We have constructed excellent roads, built numerous facilities and this is an oil-going thing. The revenue we get is just from income tax imposed on the profits earned by traders," he said.

Dr Mahathir said the Federal Government was willing to spend on developing the island to promote tourism as it would be difficult for the State Government to fork out large amounts in developing the island.

The Prime Minister said this during a question-and-answer ses-

sion with civil servants and the business community here today.

A businessman had asked Dr Mahathir if it was possible for the Government to return at least 20 per cent of revenue earned from tourist arrivals in Langkawi to the islanders.

However, Dr Mahathir said the money spent by tourists in Langkawi never left the island in the first place.

"We only impose income tax on a certain percentage of the profits earned by traders," he said.

To another question, Dr Mahathir said it was difficult to gauge the success of the *Akujanji* pledge signed by civil servants. However, the fact that they signed it showed they agreed with government policies.

Earlier, when opening the Sky-mall Duty Free shopping outlet owned by DR Group Holdings Sdn Bhd at the Langkawi International

Airport, he called on the people in Langkawi to treat tourists well.

"Tourists help bring wealth to the country and we must realise the important role they play in the country's economic development.

"Treat them courteously and make their stay here enjoyable so that they will return again and also promote the country to their friends," he said.

He said the duty-free status was given to Langkawi as the Government wanted it to be special.

Also present at the function were Datuk Seri Dr Siti Hasmah Mohd Ali, Menteri Besar Datuk Seri Syed Razak Syed Zain and managing director of DR Group Holdings Datuk Dahlan Rashid.

The company spent RM3 million to upgrade the outlet which offers a wide variety of perfumes, chocolates and branded goods.