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REACTION-MAICCI

2003 BUDGET WILL HAVE FAVOURABLE IMPACT ON THE ECONOMY: MAICCI

KUALA LUMPUR, Sept 21 (Bernama) -- The Malaysian Associated Indian Chambers of Commerce and Industry said several measures announced in 2003 Budget, particularly with regards to tax rates will have a favourable impact on the economic growth and the corporate sector.

Among others which favours growth are the reduction of corporate taxation of companies in the small and medium-scale industries (SMIs) from 28 percent to 20 percent, extended pioneer status period to qualified companies to Dec 31, 2005, exemption of service tax for companies engaged in and providing professional services and full promotion of use of private debt securities to fund companies in the capital market by giving excellent incentives.

Its president Datuk K Ketheeswaran said the outstanding Malaysian Budget 2003, tabled by the Prime Minister Datuk Seri Dr Mahathir Mohamad at the Dewan Rakyat yesterday, was another chapter of the resurgence unveiled by Dr Mahathir, who is also the Finance Minister, to further improve Malaysia's economic growth.

"Dr Mahathir believes that the increase in domestic activities in key industries will further strengthen the Gross Domestic Product (GDP)," he said.

"And in line with this policy, 2003 Budget, in a nutshell, is a proponent of the private sector in general and no other surprises that is no additional taxes," he said. -- BERNAMA

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