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BUDGET-INCENTIVE

SPECIAL INCENTIVES FOR MANUFACTURERS TO INCREASE EXPORT

KUALA LUMPUR, Sept 20 (Bernama) -- To further enhance exports and ensure that Malaysian goods are able to penetrate the global market, Prime Minister Datuk Seri Dr Mahathir Mohamad has proposed tax exemption on statutory income equivalent to 30 percent of increased export value provided the company achieves a significant increase in export.

Dr Mahathir, who is also the Finance Minister, made the proposal in the Budget 2003 which he tabled in the Dewan Rakyat here today.

Other proposals are tax exemption on statutory income equivalent to 50 percent of increased export value provided the company succeeds in penetrating new markets, as well as full tax exemption on increased export value provided that the company achieves the highest increase in exports.

The proposals are effective from the year of assessment 2003.

Dr Mahathir said that the continuous support should be given to make Malaysia an exporter of high quality goods which are able to compete globally.

Currently, to assist companies to export manufactured and agricultural goods as well as services, the government has allocated various tax incentives.

Among the incentives were double deduction on expenses for promotion of exports and tax exemption of 70 percent on statutory income earned by international trading company from its increased export sales for five years.

Another incentive is tax exemption on statutory income equivalent to 10 percent of increased export value for products provided that goods exported attain at least 30 percent value added. -- BERNAMA

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