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BUDGET-FOREIGN

LOCAL CO GIVEN 20 PCT ANNUAL ALLOWANCE OF ACQUISITION COST OF FOREIGN CO

KUALA LUMPUR, Sept 20 (Bernama) -- Local owned company that acquires a foreign owned company abroad will be granted a 20 percent annual allowance of the acquisition cost for five years, it was announced today.

Tabling the 2003 Budget today, Prime Minister Datuk Seri Dr Mahathir Mohamad said the proposal would help to expedite the participation of local investors in high technology or to accelerate export market penetration.

He said the annual allowance would be granted to local company to acquire high technology for production within the country and to gain new export markets for local products.

Currently, no tax incentives are granted to a company that acquires a foreign owned company abroad in pursuit of obtaining high technology or export market network.

"Continuous efforts should be undertaken to develop Malaysia as a progressive and high technology industrialised nation. To attain this, it will not only be costly but require a high level of expertise and take a long time," he said.

Dr Mahathir said the proposal was effective for applications from Sept 21, this year. -- BERNAMA

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