

29 MAR 2002

Mahathir-Luxury

MALAYSIA'S WAY OF HANDLING ECONOMY BENEFITS PEOPLE, SAYS PM

SHAH ALAM, March 29 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said although the government sometimes adopted differing approaches in managing the economy, the moves actually benefited the people as well as the government.

The Prime Minister said, for example, the people could now afford to buy imported luxury goods after the government abolished or reduced the taxes on them.

"I see that almost all those who could not own a camera before, have now got cameras. Everyone buys luxury goods at cheaper prices," he said at a dialogue session with government officers and staff in Selangor, here today.

He said previously imported luxury goods were taxed 100 per cent and this made them expensive.

The Prime Minister said when luxury goods were sold at high prices in the country, the people who could afford them would go outside the country such as to Singapore which did not impose taxes on luxury goods.

When such practices became rampant, the government found that its tax revenue was decreasing because of the smuggling of luxury and imported goods, he said.

Dr Mahathir said that with the lower taxes, the people could now afford to buy these goods which were cheaper and need not go out of the country to buy them.

"Such a situation would increase demand at the shops selling these items and would boost their sales.

"When this happens, the companies or shopkeepers will make more profits and out of the profits, 28 per cent is claimed by the government through corporate tax," he said.

The dialogue which was held at the Silver Jubilee Hall here was attended by more than 1,000 government officers and staff. This was also followed via video conferencing at all municipal councils and district councils throughout Selangor.

-- BERNAMA

RIZ MAI AO