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CABINET AGREES ON TAX EXEMPTION FOR CERTAIN INDUSTRIES

KUALA LUMPUR, April 2 (Bernama) -- The cabinet has agreed that certain industries be exempted from the import duties imposed on some iron and steel products, said Deputy Finance Minister Datuk Chan Kong Choy.

Among the industries are automotive, electric and electronics, oil and gas, shipping, iron and steel furniture, companies located in the free trade zone area and export or supply companies, he said in a press statement here today.

This stand was taken as the materials are used directly for manufacturing, he said.

It is not produced in the country and its specifications were different from local materials, Chan added.

The cabinet's decision to increase the import duty and impose the import licence (AP) on iron and steel like hot rod coils, cold rolled coils, electro galvanised iron and galvanised iron and iron pipes have been gazetted and enforced on March 15.

The government decided on the policy to protect the local iron and steel industry from negative impact due to the oversupply of the products in the global market, he told reporters at the Parliament lobby here.

However, he said there has been trading companies which are committed to import iron and steel before the hike in the import duty .

On this, he said that Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the Finance Minister, has decided that companies which letter of credits were issued before March 15 only need to pay the previous import duty rate.

Companies using the telegraphic transfer which bill of lading were issued before March 15 would also be accorded the same status, Chan said.

"If there is a need to pay, pay in accordance to the old rate, if import duties are not imposed previously, that means the import duties will not be imposed," he said.

The hike in duty is between zero to 50 percent depending on the types of products, Chan said.

He also said that a committee comprising the Ministry of International Trade and Industry, Treasury and Malaysian Industrial Development Authority, has been set up to consider and approve AP permits and tax exemption for the industries concerned.

Applications by trading companies for tax exemption would be processed by the Tax Analysis Department and would take three days to be completed, he said.

-- BERNAMA

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