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PBEC-TARIFF
M'SIA WILL NOT IMPOSE NON-TARIFF TRADE BARRIER

KUALA LUMPUR, May 7 (Bernama) -- Malaysia will not impose non-tariff trade barrier on imports from Asean countries following the implementation of the Asean Free Trade Area (AFTA), International Trade and Industry Minister Datuk Seri Rafidah Aziz said here today.

"Malaysia will never put in non-tariff barriers in place of tariff. That is the commitment we made and we don't believe in putting the non-tariff barriers," she said.

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said that Malaysia will not introduce non-tariff barrier to protect the automotive sector.

"It was not allowed (non-tariff barrier). We don't do it," she told reporters after meeting China's Vice Minister of Foreign Trade and Economic Cooperation, Lu Fu-Yuan, and US deputy secretary of treasury Kenneth W. Dam.

However, there are other options available to enable the government to recoup the minimised losses following the reduction or removal of import duties, she said, citing sales tax and surcharge as examples.

Rafidah pointed out that other Asean countries that have reduced import duties also imposed other types of taxation.

She pointed out that sales taxes based on the horsepower or capacity of the cars are not discriminatory, but that based on the makes are.

Rafidah said that under the AFTA, Malaysia must impose similar sales tax for cars manufactured in Malaysia and imported from other Asean countries.

She said that in Asean, other than Malaysia, only Thailand and Indonesia were producing cars.

Under the AFTA, import duties on cars would be reduced to 20 percent. Malaysia has requested for its implementation to be delayed to 2005 from 2003.

Rafidah said that Malaysian car manufacturers could export their cars to Asean countries now, but it would be treated similar to those cars from Japan or the US since Malaysia has requested for the delay in the implementation.

Malaysian car manufacturers would be able to enjoy import duties imposed on other cars manufactured in Asean countries only in 2005, she said.

She added that cars under those category must have 40 percent local content.

On her meeting with Dam, Rafidah said that Dam conveyed a message that the US was looking forward to Dr Mahathir's visit to the US later this month.

The US regarded it as a very important meeting for both sides and it was doing its best to make it a very successful visit, she added.

She said that Dr Mahathir's visit was important to convey to the US private sector that "it is business as usual, no matter what appears to be political ruffles now and then."

"Our policy only changes for the better. Malaysia's competitiveness in those area where we have competitive edge still remains and we are making it more conducive," she added.

Malaysia is now on the road to recovery and this meant more opportunities to expand investments, she said. -- BERNAMA

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