

25 JAN 2002  
MAHATHIR-CUSTOMS  
NO PLANS TO PRIVATISE CUSTOMS DEPARTMENT

MELAKA, Jan 25 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said that the government had no plans to privatise the Customs and Excise Department.

He said that although the government had the Inland Revenue Board to collect income taxes, the Customs Department would be maintained as a government department.

Asked on the possibility that the department might be privatised in the future, he said: "I don't know about that...in the future, I won't be there, someone else will be."

Dr Mahathir said this to reporters after launching the 20th World Customs Day at the Akademi Kastam in Bukit Baru here today.

Also present at the event were Chief Minister Datuk Seri Mohd Ali Rustam, Director General Customs Datuk Abdul Halil Abdul Mutalib and more than 1,000 officers and staff of the Customs Department.

Dr Mahathir who is also the Finance Minister said that the government has not made any decision to introduce new tax schemes in the event of lower tax collections from imported and exported goods following the implementation of the Asean Free Trade Area (Afta) and the World Trade Organisation (WTO).

"We have not made any decisions but the government has to collect taxes in order to run the government... when we have the AFTA and WTO, we would have to reduce import duties.

"We collect quite a sum from import duties, and if we don't have the duties from imports, then the government would not have a source of income. So, we have to figure out other ways," he said.

Earlier in his speech during the event, Dr Mahathir said the Customs Department played a very important role in the collection of revenue for the country and that its functions were now all very carefully structured.

"Previously there were no clear targets, but now the yearly revenue collection to be made is clearly set. I am confident that the target would increase every year, with an increased target set every year.

"This means that the officers and staff of the Customs Department would have to work harder to ensure that no one is able to run away from paying the due taxes, be it import or export tax, besides the income tax," he said.

Besides touching on the department's role, the Prime Minister also urged all customs officers and civil servants to maintain strong religious grounds and high moral values to prevent them from falling into corruption traps and the misuse of power.

He admitted that there were cases of abuse of power and corruption and that these required a great deal of vigilance from the civil servants.

"We would not be able to control corruption 100 percent in any department," Dr Mahathir said.

He said the available laws and regulations would not be able to completely prevent anyone from abusing their powers, therefore, the responsibility fell on the government staff themselves to exercise control while carrying out their duties in developing the country.

Dr Mahathir said that in countries where the government staff practised corruption, development could never take place and its ruler would not have enough money because there had been no proper collection of revenue.

"It is best that we avoid irresponsible actions and abuse of power...if

we are successful in avoiding these actions, I am confident that the country would see tremendous progress," he said.

Dr Mahathir said that when a country achieved progress, businesses and industries reaped higher profits and the government would get some of the profits through the collection of taxes.

"When the country progresses, the profits are higher, export and import activities increase and the government therefore also sees higher revenue. And when we have high revenue, we are able to increase the pay and salaries of all the staff.

"This is our method which has been very effective. If we look at countries where corruption is rife, the salaries of government staff are very low. This is because of very poor tax collection," he said.

Dr Mahathir said that a government going for external borrowings to pay its staff was also not a good thing as it would destroy the country and the staff would suffer.

"Alhamdulillah (God be praised), this is not happening (in Malaysia), where the government staff have integrity, carry out their duties well, collect the taxes properly and do not misuse their power," he said.

At today's event, Dr Mahathir also launched the new name for the department, Royal Customs Department (Jabatan Kastam DiRaja), as well as its new logo and staff uniform. -- BERNAMA

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