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REACTION-SPECIAL STICKERS

TOBACCO, ALCOHOL COMPANIES WELCOME SPECIAL CODES TO CURB SMUGGLING

KUALA LUMPUR, Sept 20 (Bernama) -- British American Tobacco (Malaysia) Bhd (BAT) and Guinness Anchor Bhd have given their full support to the government's proposal to introduce special stickers or codes to indicate tax payment for tobacco and alcohol products in an effort to curb smuggling.

The government's proposal was announced today during the tabling of Budget 2003 by Prime Minister and Finance Minister, Datuk Seri Dr Mahathir Mohamad.

In a statement here today, BAT said 22 percent of cigarettes sold in Malaysia was illegal and that the situation was serious.

"We appreciate that the government has acknowledged the impact of higher taxes on illegal cigarettes," it said.

BAT added that it hoped to work with the government to formulate a taxation framework that would discourage the smuggling of illegal cigarettes.

Meanwhile, Guinness Anchor said unabated smuggling activities had significantly affected the liquor market where sales have been on the decline and the malt liquor market has been shrinking.

Smuggling has been one of the contributing factors for the decline in sales of beer and stout by nearly one percent over the last 12 months, it said. -- BERNAMA

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