

No cheaper imported cars

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Rate of duty to be imposed after Afta will equalise price

THE price of imported cars will not change after January next year when import duties are reduced.

This is because the excise duty to be imposed will be at a rate that will ensure that the price of such cars remain the same, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

However, he told a press conference yesterday that he could not announce the rate now.

"The main thing that we agreed to under Afta (Asean Free Trade Area) is to equalise taxes on domestic and imported cars.

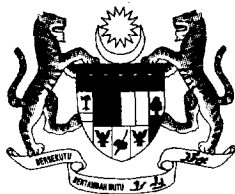
"But that does not mean that we need to reduce the taxes.

"Instead of having extra taxes on the foreign cars, we can still impose higher taxes in order to bring the level of local cars to the same level as foreign-made cars," he said after delivering his 2004 Budget speech.

Under Afta, the import duty on completely knocked down (CKD) cars of Asean origin has to be reduced from the current 42% to 20% in January 2005 and to 5% in 2008.

Dr Mahathir also explained that the plan to list Felda estates on the Kuala Lumpur Stock Exchange would be limited to estates that were owned outright by Felda.

"Felda has two types of land



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schemes, one with settlers and the other without. The ones that are without settlers are the ones that we will list on the KLSE," he said.

Asked when the listing would be done, Dr Mahathir said there were some procedures that the Government would need to look at, including the status of the estate land once it had been listed.

Asked to comment on the perception that the 2004 Budget was a way for him to show his gratitude to the people for supporting him, Dr Mahathir said: "It's not my money. I can't show gratitude to the people by spending the Government's money. I don't do that kind of thing."