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BUDGET-COST

GOVT PROPOSES SEVERAL MEASURES TO REDUCE COST OF DOING BUSINESS

KUALA LUMPUR, Sept 12 (Bernama) -- The government has proposed several measures to reduce the cost of doing business under the Package of New Strategies in the 2004 Budget.

Prime Minister-cum-Finance Minister Datuk Seri Dr Mahathir Mohamad, in tabling the budget at the Dewan Rakyat here today, said the government would now allow full deduction on entertainment expenses incurred in sales promotions and deduction of 50 percent on other entertainment expenses.

It will also abolish the limit on the exemption period for import duty and sales tax on spares and consumables for the manufacturing and services sectors, which is due to expire on Dec 31, 2003.

The government will also extend deduction on incorporation expenses to companies with authorised capital of up to RM2.5 million currently enjoyed by those with authorised capital of up to RM250,000 only.

Dr Mahathir said the 2004 Budget also proposed the reduction or abolition of import duties on selected goods such as computer batteries, wooden and plastic goods from the current rates of between 5.0 and 30 percent to between zero and 20 percent.

Several agricultural produce and commodities such as fish, fruits and certain minerals will see a reduction or abolition on export duties to between zero and 5.0 percent from between 2.5 and 10 percent at present.

Dr Mahathir also announced that local publishing and printing companies would be given exemption of anti-dumping duty on imported newsprint on the quantity that cannot be supplied by local producers. This exemption will render the cost in the publishing and printing industry to be more competitive. -- BERNAMA

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