

New tariffs will boost sales, say used-car dealers

BY SYLVIA LOOI

PENANG: Used-car dealers are expecting bumper sales for second-hand cars with the imposition of new tariffs effective this year.

Federation of Motorcar and Credit Companies Association of Malaysia president Datuk Tony Khor said the association's members expected sales of second-hand cars to increase by between 20% and 30%.

"The sale of second-hand cars has been slow since the second half of last year and the announcement (of new tariffs) has given the industry a shot in the arm," he said yesterday.

Prime Minister Datuk Seri Abdullah Ahmad Badawi announced on Wednesday that all completely knocked-down (CKD) vehicles imported from Asean countries would enjoy a flat rate of 25% import duty while the rate for those from non-Asean countries would be 35% compared to the old rate of between 42% and 80% depending on the engine capacity.

As for excise duty, the old tariff was a flat rate of 55% for CKD cars of all engine capacities but under the new rates the duty ranges between 60% and 100% depending on capacity.

Khor said sales of second-

hand cars were slow last year when then Prime Minister Tun Dr Mahathir Mohamad announced that there would not be a decrease in car prices following the implementation of the Afta agreement.

"This had caused consumers to adopt a wait-and-see attitude," he said.

A used-car dealer at Sungai Dua, who wanted to be known as Lee, said he was still in the dark about the new taxes and the effects it would have on the second-hand car industry.

He said that so far, not many customers had walked into his showroom to enquire about second-hand car prices.