

14/09/2003

Road tax exemption for m-bikes to cost Government RM177.7m

CYBERJAYA, Sat. - The move to exempt road tax for motorcycles with engine capacity not exceeding 150cc will cost the Government RM177.7 million in revenue a year.

Transport Minister Datuk Chan Kong Choy said he would leave it to the Treasury to find a way to make up for the loss in revenue.

"What is important is that the lower income group, rural people and university students can benefit from this road tax exemption," Chan said after officiating at the ground-breaking ceremony for BMW Malaysia headquarters here today.

Prime Minister Datuk Seri Dr Mahathir Mohamad had announced the road tax exemption while presenting Budget 2004 in Parliament yesterday.

"So, if your road tax expires after Friday, congratulations, you don't have to pay to renew your road tax.

"However, motorcyclists must have insurance coverage as stipulated under Section 90 of the Road Transport Act.

"Even though you no longer pay road tax, it is compulsory for all motorcyclists to have at least third party insurance coverage. We won't compromise on this matter because this is in the interest of the motorcyclists themselves."

Chan said his ministry's officers would work closely with the Road Transport Department on a new mechanism which would be announced later to ensure all motorcycles were under insurance cover.

Chan said with this new tax break, motorcycle sales would increase, which in turn could contribute to higher number of road accidents.

"We will step up the road safety campaigns. We have discussed this matter in the Cabinet."

Meanwhile in his speech, Chan said BMW's leading presence in the local market was a reflection of strong confidence among international investors in Malaysia.

"The headquarters would further strengthen BMW's commitment to Malaysia. While business would be its main consideration, the training planned would also enhance the skills of local staff.

"This is what transfer of technology is all about, encompassing human resources and Information Technology and resulting in smart partnership."