

## **Afta didn't reduce car prices, PKR tells Muhyiddin**

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**By Zulaikha Zulkifli**

Claims by BN deputy chairperson Muhyiddin Yassin that car prices are down as a result of the Asean Free Trade Agreement (Afta) are unfounded, said PKR director of strategy Rafizi Ramli.

In a press release today, Rafizi said although Afta was implemented to remove import duties among Asean countries, the current administration had imposed excise duties and sales tax on cars.

"What is causing car prices to be high is excise duties and sales tax which starts at 85 percent until 115 percent on the original price of the car.

"These taxes have doubled car prices, not import taxes because Afta had eliminated import duties on Asean produced cars," he said, pointing out that 90 percent of cars recently bought in Malaysia are produced in Asean.

Yesterday, Muhyiddin had accused Pakatan Rakyat of plagiarising BN's ideas for its manifesto, such as in attempts to reduce car prices which he said was already being done through Afta.

Afta was agreed upon in 1992 and was supposed to be fully implemented by 2010. However, Malaysia came up with new form of car taxes to negate the effects of Afta and maintaining Malaysia's second position in terms of highest car prices in the Asean region.

'Muhyiddin being childish'

In October last year, the Dewan Rakyat was told that Putrajaya does not intend to change the excise duty scheme any time soon.

In February, Pakatan's manifesto had pledged to gradually remove excise duties in order to improve the affordability of cars so that Malaysians would not be burdened by smaller loans.

Last week, BN unveiled its manifesto which promised the same.

Rafizi said that Muhyiddin's statement had proven that he does not understand Malaysia's taxation policies and that BN's promise in reducing car prices were in doubt, since it hinges on Afta.

Meanwhile, Rafizi said he would not respond to Muhyiddin's claim that Pakatan had stolen BN's ideas.

"It is a childish statement that should not come from a senior minister. Thus, it should not

be taken seriously by Malaysians," he said.

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