

Cheers to the budget, says beer company

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KUALA LUMPUR - The government has been prudent in not imposing another round of excise duty increase in the Budget 2011 as this would have exerted tremendous pressure on the industry, says Guinness Anchor Bhd(GAB).

It would have also put further pressure on the Food and Beverage industry and tourism, which have continued to face serious challenges with consumers still being careful with their spending, said GAB's Managing Director, Charles Ireland, in a statement.

"GAB welcomes the news that the Government has decided not to raise the excise duty on beer and stout for the coming year, particularly in this economic downturn which has had a significant impact on both businesses and the man-on-the-street," he said.

Prime Minister Najib Abdul Razak unveiled the 2011 Budget at the Parliament on Friday.

Malaysia's current duty levels on beer and stout is the second highest in the world after Norway.

Ireland also hoped that the Government would consider a review of excise duty structure to bring it in line with global best practises.

"We would like to work with the Government to set up a working committee for this purpose," he added.

Later, speaking to *Bernama*, Charles said the government could also look at global best practices in excise tax structure to assist in revenue tax collection.

He added this would maintain the attractiveness of Malaysia as an international tourist and business destination.

"Australia's structure could be referred and might give some example in line with global best practises," he suggested.

In Australia, excise duty on beer and spirits is based on the level of alcohol content in a drink.

In Malaysia, beer and stout are subject to an excise duty payment of RM7.40 per litre, ad valorem duty payment of 15 per cent on the ex-brewery price for the beer products, and sales tax of five per cent of principally the ex-factory invoice price on all products sold.

In 2009, the industry paid RM1.46 billion in taxes.

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