

**THE 2009 BUDGET SPEECH**

**by**

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PRIME MINISTER AND MINISTER OF FINANCE**

**INTRODUCING THE SUPPLY BILL (2009)  
IN THE DEWAN RAKYAT**

**29 AUGUST 2008**

**A CARING GOVERNMENT**

Mr. Speaker Sir,

I beg to move the Bill intituled **“An Act to apply a sum from the Consolidated Fund for the service of the year 2009 and to appropriate that sum for the service of that year”** be read a second time.

## INTRODUCTION

In the name of Allah, the Most Gracious and the Most Merciful.

2. Praise be to Allah, for enabling me to present the 2009 National Budget in this Honourable House.
3. During the past 51 years, the quality of life of Malaysians has undoubtedly improved. The formula of power sharing and pragmatism has enabled Malaysia to emerge as a politically stable and prosperous nation. Despite the trials and tribulations of 1969, 1972, 1986, and 1997, we have prevailed and grown from strength to strength. Today, as we face a global environment of higher prices and slower economic growth, I am confident, if we remain united, we shall overcome this challenge as well.
4. The spirit of solidarity is truly tested during difficult times. As we move forward, loyalty to the nation and the sense of unity continue to be indispensable in building a peaceful and prosperous nation. While democracy allows for the expression of different views, we must, however, remain united on fundamental issues of national interest.
5. The world economy and the financial markets are facing numerous challenges and uncertainties. The global economy has been affected by sharp increases in the price of oil, as well as commodity and food prices. The instability in the financial sector in the United States has affected not only its economy but the European economies as well. Although economic outlook in the Asian region, especially in India and China, remains favourable, inflationary pressures may, to some extent, affect their domestic demand. These global developments would also affect Malaysia.
6. Notwithstanding this, the Malaysian economy remains strong and resilient. A diversified economy and export market, as well as high international reserves, provide greater flexibility for the economy to face an increasingly challenging external environment.

7. The Malaysian economy continues to record sustained growth. Strong economic fundamentals, as well as increased domestic demand, have resulted in the gross domestic product (GDP) achieving a growth of 7.1% during the first quarter of this year, and 6.3% for the second quarter of 2008. GDP growth for the first half of this year was, therefore, 6.7%. Although the nation will be somewhat affected by global developments, the Government is confident that Malaysia's economy will continue to remain stable with a GDP growth of 5.7% this year.

## **THE 2009 BUDGET**

8. The 2009 Budget is focused on enhancing the well being of all Malaysians. For this purpose, it is crucial to further strengthen our nation's economic resilience to mitigate the adverse impact of an increasingly challenging external environment.

9. With the theme ***A Caring Government***, and in line with the five thrusts of the National Mission, the 2009 Budget will focus on three specific strategies, namely:

First: Ensuring the Well Being of Malaysians;

Second: Developing Quality Human Capital; and

Third: Strengthening the Nation's Resilience.

## **FIRST STRATEGY: ENSURING THE WELL BEING OF MALAYSIANS**

10. The Government will ensure that all Malaysians continue to benefit from the country's economic growth. In this regard, the Government will implement a broad range of measures to reduce the impact of the higher cost of living, particularly among the lower income group and the vulnerables.

## **Social Safety Net**

11. The Government empathises with the difficulties faced by the lower income group, arising from the higher cost of living. In this regard, the Government has raised the eligibility criteria for welfare assistance under the Welfare Department, from a monthly household income of RM400 to RM720 for Peninsular Malaysia, RM830 for Sarawak and RM960 for Sabah. With this increase, the number of eligible recipients is expected to double from 54,000 households to 110,000. This includes an increase in the number of eligible senior citizens from 14,000 to 40,000. For this purpose, an additional RM500 million is allocated.
12. The Government recognises the contributions of pensioners towards the development of the country. To assist the lower income pensioners to cope with the recent price increases, government pensioners who had served at least 25 years upon retirement, will receive a pension of not less than RM720 per month, effective 1 January 2009. This increase will involve an additional allocation of RM140 million for 2009 and will benefit 75,000 retirees, including those receiving derivative pensions.
13. The Government has always assisted victims of calamities, such as floods and fire. The Government will now also set up a special fund of RM25 million to channel timely financial assistance to families deprived of their sources of income, particularly arising from accidents to breadwinners.
14. The Government, together with the corporate sector, has set up several homes under the concept of *Rumah Tunas Harapan* to provide upbringing in a family setting for less fortunate children. Under this initiative, the corporate sector provides the houses, while the Government bears the operating expenses. Given the heavy responsibility of the caregivers in these *Rumah Tunas Harapan*, the Government will increase their allowance from RM600 to RM1,000 per month, effective 1 September 2008. In this regard, the Government encourages the private sector to set up more such homes.

## ***Eradicating Poverty***

15. The Government has, through various measures, successfully reduced the incidence of poverty from 5.7% in 2004 to 3.6% in 2007. The number of hardcore poor households has declined by 43% from 67,300 in 2004 to 38,400 in 2007. The Government is confident that the incidence of hardcore poverty will be eradicated by 2010.
16. The Government will continue to implement programmes to enhance income, as well as provide skills and career development training under the *Skim Pembangunan Kesejahteraan Rakyat*. In addition, *Program Lonjakan Mega Luar Bandar* is being implemented in Pulau Banggi, Sabah and Tanjung Gahai, in Kuala Lipis, Pahang. For this purpose, a sum of RM220 million is allocated, benefiting 13,300 households.
17. With respect to housing, a total of 3,500 new houses were built, and 2,000 houses were repaired under the Housing Assistance Programme during the period 2006 to 2008, to enable hardcore poor to own decent homes. In 2009, an allocation of RM50 million is provided to build 1,400 new houses and repair 1,000 houses. Priority will be given to senior citizens, the disabled and single parents with many dependents as well as victims of natural disasters.
18. Hardcore poverty in Sabah and Sarawak has been significantly reduced. In Sabah, the number of hardcore poor households has declined from 32,400 in 2004 to 18,100 in 2007, while in Sarawak, from 5,200 to 3,600 during the same period. Measures will continue to be taken to increase income and enhance the quality of life of Malaysians in these two states by improving basic amenities, such as electricity, water and rural roads. For this, RM580 million and RM420 million are allocated for Sabah and Sarawak, respectively.
19. As part of the Government's effort to further reduce the financial burden of the lower income group, households which incur monthly electricity bills of RM20 or less, will not have to pay for electricity, for the period from 1 October 2008 to end of 2009. The

Government will bear the cost of such bills, amounting to RM170 million for the period. A total of 1.1 million households will benefit from this measure.

### ***Increasing Disposable Income***

20. The higher inflation rate has also affected the purchasing power of the lower middle-income group. To assist this group, the Government proposes the current tax rebate of RM350 per person be increased to RM400 for those with taxable income of RM35,000 and below. With this increase, some 100,000 tax payers will be out of the tax net.
21. In addition, to reduce the tax burden of individuals, especially those dependent on interest income from savings, the Government proposes that all interest income for individuals be tax exempt.
22. To mitigate the impact of rising prices on consumers, the Government proposes to reduce import duties on various consumer durables from between 10% and 60% to between 5% and 30%. These include blender, rice cooker, microwave oven and electric kettle. In addition, the Government proposes full import duty exemption on several food items, which currently attract import duties of between 2% and 20%. These include vermicelli, biscuits, fruit juices and canned sweet corn.
23. Currently, private passenger vehicles with diesel engines owned by individuals and companies are subject to a higher road tax compared with those with petrol engines. The Government will reduce the road tax on private passenger vehicles with diesel engines to be the same as those with petrol engines, effective 1 September 2008.

### ***Enhancing The Welfare Of Employees***

24. The private sector should make their employee welfare a priority. To support such initiatives, the Government proposes that the travel allowance for commuting to work

provided by employers be given full tax deduction, while the employees receiving such an allowance be given tax exemption of up to RM2,400 per year.

25. In addition, the Government proposes tax exemption be given to employees on the following staff benefits:

First: interest subsidies on housing, motor vehicles and education loans. The tax exemption will be limited to total loans up to RM300,000;

Second: mobile phones, as well as telephone and internet bills paid by the employer;

Third: staff discounts of up to RM1,000 a year on company traded goods;

Fourth: staff discounts on services rendered by the company, such as private schools providing free education to children of their employees; and

Fifth: childcare allowance of up to RM2,400 per year.

26. Tax exemption on medical benefits provided by employers at present excludes maternity expenses. The Government proposes that the tax exemption be extended to include expenses on maternity. In addition, given the growing acceptance of traditional medicine, namely acupuncture and ayurvedic, the Government also proposes that tax exemption be extended to cover such medical benefits.

27. To assist civil servants with young children, the Government currently provides a subsidy of RM180 per month towards TASKA fees for those with monthly household income of RM2,000. Effective 1 January 2009, the eligibility criteria will be increased to RM3,000.

28. Currently, Government servants are given free return airfares to their home states, between Peninsular Malaysia, and Sabah and Sarawak, once every two years. To foster closer family ties, this facility will be provided every year, effective 1 January 2009.

## ***Improving Public Transportation***

29. The Government will continue to encourage greater utilisation of public transportation, in the context of improving the productivity and quality of life. I have recently experienced for myself the condition of the public transportation system in our capital city. I believe, a more efficient, reliable and integrated public transportation, which provides seamless travel and greater frequency of services, is required.
30. RapidKL and RapidPenang were set up to improve public transportation in the Klang Valley and Pulau Pinang. Currently, RapidKL provides bus services along 166 routes, covering more than 980 housing areas. Of this, 14% are unprofitable social routes not plyed by other public transport companies. This is in line with the Government's aspiration to provide better public transportation for the benefit of Malaysians, especially those in the lower income group. On average, 400,000 passengers use bus services daily, while 350,000 use RapidKL rail services. Overall, RapidKL provides 44% of total public transport services in the Klang Valley.
31. RapidPenang provides bus services on 33 routes in 106 housing areas with ridership of 46,000 passengers daily, constituting 60% of total bus services in Pulau Pinang. To widen the service network, 200 additional buses will be provided, bringing the total to 350. With this, RapidPenang services will be extended to cover 14 new routes and ridership is estimated to increase to 120,000 passengers daily by end of 2009.
32. To further improve the efficiency of public transportation, a sum of RM35 billion will be expended during the period 2009 to 2014. This includes projects to enhance the capacity of existing rail services, build new rail tracks, increase the number of buses, as well as provide better infrastructure facilities.
33. The existing LRT system in the Klang Valley will be extended by 30 km, that is 15 km respectively, for Kelana Jaya and Ampang lines. Upon completion in 2011, the

extensions are expected to benefit 2.6 million residents in the Subang Jaya-USJ and Kinrara-Puchong areas, compared with 1.9 million currently.

34. At the same time, 35 train carriages for the Kelana Jaya Line have been procured costing RM1.3 billion and these trains will be fully operational by early 2010.
35. With these measures, the capacity of the Kelana Jaya Line will more than double from the current 160,000 passengers daily to 350,000, while for the Ampang Line, it will increase from 150,000 to 280,000.
36. To further expand the urban rail service network in the Klang Valley, a new LRT line will be built along a 42 km route from Kota Damansara to Cheras. This new line, with a capacity exceeding 300,000 passengers daily, will, upon completion in 2014, provide rail services to more than one million residents in the housing, industrial and financial areas in the vicinity.
37. The Government also took over the assets and operations of KL Monorail, from a private operator in 2007. Several measures were taken to improve the operational efficiency and maintenance. Following this, the twelve trains acquired are now fully operational. Since the takeover, total ridership has increased by more than 10% from an average of 51,000 passengers daily to 57,000 currently. This takeover will contribute towards establishing a more integrated urban rail service in the Klang Valley.
38. The commuter rail services of Keretapi Tanah Melayu Berhad (KTMB) will be upgraded. Towards this end, rehabilitation works are being undertaken on the existing 20 Electric Multiple Units (EMUs) and are expected to be completed in 2009. An additional 13 new units of EMUs will be acquired and be operational by 2011. With this, the capacity of the KTM Commuter is expected to increase from the current 350,000 to 500,000 passengers daily. To expand the commuter rail services network, a 7.5 km Sentul-Batu Caves line is under construction and is expected to be completed by 2010.

39. In addition, the two major projects being implemented to improve KTMB services are the Double-tracking Electric Rail for Seremban-Gemas and Ipoh-Padang Besar, which are expected to be completed in 2012 and 2013, respectively.
40. An integrated transport terminal is being built in Bandar Tasik Selatan, to provide facilities for inter-urban taxis and buses, especially from the southern region in the Peninsular. The modern five-floor terminal can accommodate more than 130 taxis and 100 buses, complete with parking facilities and commercial lots, and will provide connectivity to the Ampang Line, ERL and KTM Commuter as well as urban taxis and buses in the Klang Valley. This terminal is expected to be operational in 2011.
41. To provide facilities for inter-urban taxis and buses from the northern region, a new integrated transport terminal will be built. This terminal will contribute towards further reducing traffic congestion in the heart of Kuala Lumpur.
42. Public transport operators play an important role in ensuring a comprehensive network of services, as well as providing more efficient, safe and high quality services, both in urban and rural areas. To reduce their operating costs, the Government has recently increased the quota for diesel subsidy for public transportation. In addition, the Government will undertake the following measures:
- First: provide a soft loan facility of RM3 billion under the Public Transportation Fund, administered by *Bank Pembangunan Malaysia Berhad* (BPMB), to finance the acquisition of buses and rail assets; and
- Second: reduce toll charges by 50% for all buses, except at border entry points, namely Johor Causeway, Second Link and Bukit Kayu Hitam, for a period of two years, effective 15 September 2008. The Government will provide compensation to toll operators for their loss of revenue, estimated at RM45 million per year.

43. In addition, bus operators will be given sales tax exemption on the purchase of locally assembled new buses and Accelerated Capital Allowance on the expenditure incurred. Further, the road tax will be reduced to RM20 a year for all bus and taxi operators, including rent-a-car and limousine operators.
44. The Public Land Transportation Commission will be established under the Prime Minister's Department, to plan, integrate, regulate and improve the overall public transportation services. This single authority is important to facilitate planning and coordination, as well as improve enforcement. The Commission is expected to commence operations by mid 2009.

### ***Food Security***

45. The Government will implement several agriculture programmes to ensure adequate food supply. For this, a sum of RM5.6 billion is provided under the National Food Security Policy, for the period 2008 to 2010. This allocation, among others, is to provide incentives to agriculture entrepreneurs to reduce production costs and encourage higher agriculture output. About 350,000 vegetable and fruit growers, as well as aquaculture and livestock breeders, will benefit from these incentives.
46. In an effort to increase fish landings, an amount of RM300 million is allocated. Of this, RM180 million is in the form of cost of living allowance to fishermen and fishing boat owners, as well as RM120 million as incentive for fish landings. This will benefit about 100,000 fishermen, including boat owners.
47. In addition, to increase poultry output, the Government proposes that the expansion of chicken and duck farms be given Reinvestment Allowance of 60% for a period of 15 years.
48. The Government will provide 220,000 padi farmers throughout the country with incentives to increase padi production, which involves an allocation of RM1 billion. In this regard,

more than 1,300 hectares of abandoned land have been identified for padi and other food production, such as fruits, vegetables and livestock.

49. An allocation of RM475 million is provided in the form of agricultural inputs, fertilizers and pesticides to assist padi farmers. To further assist farmers, the Government proposes that import duty on fertilizers and pesticides be abolished.

### ***Generating Income Through Micro Credit***

50. Amanah Ikhtiar Malaysia (AIM) was established to assist poor rural households to augment their income through micro credit financing. Since its inception in 1987, AIM has disbursed loans totalling RM2.5 billion to more than 180,000 poor households throughout Malaysia. Commencing this year, the scope and operations of AIM have been expanded to urban poor. For this purpose, the Government has set up the Urban Microcredit Financing programme, with a revolving fund of RM100 million. Initially, AIM has started its operations in Kuala Lumpur to assist households with monthly earnings of up to RM2,000. The programme will be extended to other urban areas nationwide, beginning 2009.

### ***Enhancing Quality Of Life Of Orang Asli***

51. The socio-economic status of the *Orang Asli* community will continue to be elevated to ensure they benefit from the nation's prosperity. In line with this, RM160 million is allocated to provide better education opportunities as well as improve health and basic amenities for the *Orang Asli*. Major programmes include the establishment of a transit centre of the Department of *Orang Asli* Affairs in Sungai Siput, Perak, to provide accommodation and medical facilities. In addition, priority will be given to social infrastructure development programmes, including housing assistance, planned resettlement, income generating programmes, as well as training. These programmes will benefit more than 32,000 *Orang Asli*.

### ***Assisting The Less Fortunate***

52. At present, the Government provides a monthly allowance of RM300 to the disabled who are working. The purpose is to encourage the disabled to be gainfully employed. Recognising that some disabled are unable to work, the Government will now extend a monthly allowance of RM150 to them. In addition, the monthly allowance for disabled students in special education schools, will also be increased from RM50 to RM150, while teaching assistants in these schools will be provided incentive payments of RM200 per month.

### ***Providing Low Cost Housing***

53. During the period 2004 to 2008, more than 100,000 units of low cost houses have been built by various agencies nationwide. In 2009, an allocation of RM330 million is provided to *Jabatan Perumahan Negara* to complete 4,400 units of *Program Perumahan Rakyat (PPR) Disewa*, 1,500 units of *PPR Bersepadu* and 600 units of *PPR Dimiliki*. In addition, *Syarikat Perumahan Negara Berhad* will build 33,000 low cost houses.

### ***Improving Government Housing Loan***

54. To encourage home ownership among civil servants, the Government will improve the terms for staff housing loans, as follows:

First: extend the tenure of new housing loans from 25 years to 30 years;

Second: provide housing loan facility for renovation works on houses not purchased through Government housing loan; and

Third: extend the housing loan insurance panel to all eligible insurance companies. At present, the panel is limited to five insurance companies.

### ***Reducing Cost Of Home Ownership***

55. At present, buyers of low cost houses are given full stamp duty exemption on all instruments, including loan agreements. For the purchase of medium cost houses of up to RM250,000, a 50% stamp duty exemption is given only on the instrument of transfer. To further reduce the cost of buying medium cost houses, the Government proposes the 50% stamp duty exemption be extended to loan agreements.

### ***Extending The Housing Credit Guarantee Scheme***

56. In the 2008 Budget, I had announced the Housing Credit Guarantee Scheme (SJKP) to assist those without fixed income to own affordable houses. Under the Scheme, borrowers can obtain housing loans from *Bank Simpanan Nasional* and *Bank Islam Malaysia Berhad* to purchase low and medium cost houses. A fund of RM50 million was set up for this purpose. To date, nearly 500 applications valued at RM20 million have been approved. Beginning July 2008, the Government has rolled out the scheme to all local financial institutions. The fund size will be increased to RM100 million, enabling SJKP to guarantee loans amounting to RM2 billion. About 40,000 borrowers will benefit from this facility.

### ***Promoting Corporate Social Responsibility***

57. In the 2008 Budget, the Government had announced the implementation of *Program Amal Jariah* with a fund of RM50 million to repair dilapidated houses of hardcore poor nationwide. To date, a total of 4,600 houses, with an estimated cost of RM24 million, have been repaired. For 2008, a total of 8,400 houses will be repaired.

58. The Government calls upon the private sector to contribute to the fund as part of its corporate social responsibility (CSR), to enable the poor to benefit from *Program Amal Jariah*. In this regard, the Government will provide a matching grant to the private sector

for this programme. Initially, RM100 million is allocated for this purpose. About 30,000 dilapidated houses will be repaired.

59. Currently, tax deduction is given on contributions made by companies for community projects related to education, health, housing, infrastructure and ICT. To further enhance a culture of CSR, the Government proposes that the scope of community projects eligible for tax deduction be extended to include projects to enhance income of the poor, as well as conservation and preservation of environment. In addition, for companies contributing to charitable institutions, the Government proposes that the limit of deduction be increased from 7% to 10% of aggregate income.

60. Malaysia is one of the largest palm oil producers in the world. To enhance global acceptance of palm oil, there is a need to demonstrate strong social and environmental responsibility in our business practices. In this regard, the Government fully supports the initiative by palm oil plantations to obtain Roundtable For Sustainable Palm Oil (RSPO) certification. The Government will allocate RM50 million to provide a RSPO Fund to support community programmes, such as upgrading of schools in plantations, as well as implementing conservation programmes, such as enhancing biodiversity in plantations.

### ***Enhancing Health Services***

61. The Government will continue to provide free health services for Malaysians. A sum of RM13.7 billion is allocated in 2009 to enhance health facilities and provide equipments, increase supply of medicines, develop human resources, intensify research and enforcement activities, as well as build more hospitals, clinics and quarters.

62. In line with the Government's effort to encourage healthy lifestyle and curb social problems due to smoking, especially among youngsters and students, the Government proposes that excise duty specific on cigarettes be increased by three sen from 15 sen per stick to 18 sen per stick. With this, the duty for a 20-stick pack of cigarettes is now increased by 60 sen.

63. To retain the services of medical specialists in the public sector, the incentive allowance for medical specialists will be increased. This will involve 3,800 specialists, with an additional expenditure of RM26 million.

64. The Government will increase incentive payments for the flying medical teams in Sabah and Sarawak. For medical assistants, the increase is from RM20 to RM30 per return trip and for nurses from RM15 to RM30.

### ***Improving Public Amenities***

65. Infrastructure facilities will enhance the quality of life of the rural community. In the 2009 Budget, a sum of RM1.8 billion is provided to increase basic amenities and infrastructure in rural areas. Of this, more than RM1 billion is for projects involving 480 km of rural roads and 1,300 km of village roads. A sum of RM280 million is provided for rural water supply, targeting 30,000 households and RM350 million for rural electricity supply, covering 3,600 households. In addition, RM65 million is allocated for 11,700 public amenities projects in the rural areas.

66. The Government will intensify efforts to further develop Sabah and Sarawak. For Sabah, an allocation of RM3 billion is given for various infrastructure projects, including 266 km of federal and rural roads, benefiting more than 550,000 residents. The major projects include the construction of Phase II of Jeroco–Lahad Datu road, upgrading and repair works of Jalan Sandakan to Telupid, upgrading Phase II of Jalan Ranau to Tambunan, building the Semporna–Bum-Bum Island Bridge, replacing dilapidated bridges in the interior of Sabah, implementing tourism and ecotourism projects, providing hospital and rural health facilities as well as PPR *Disewa*.

67. An allocation of RM3.3 billion is provided for Sarawak to implement various projects, including the construction of 230 km of federal and rural roads, benefiting more than 350,000 residents. Among the major projects are the construction of Jalan Penghubung to

the Sarawak New Federal Administrative Centre, Jalan Nangga Buai to Ulu Sepak, Betong, Jalan Awat-Awat to Kuala Lawas, Jalan Tanjong Assam to Saribas, Bengoh Dam in Kuching, an integrated Waste Water Management System in Kuching, PPR *Disewa*, tourism and ecotourism projects, as well as hospital and rural health facilities.

## **SECOND STRATEGY: DEVELOPING QUALITY HUMAN CAPITAL**

Mr. Speaker Sir,

68. The Government will continue to implement various programmes towards creating a pool of trained and competitive work force. To achieve this objective, a sum of RM47.7 billion is allocated for education and training, accounting for 23% of the total 2009 Budget allocation.

### ***Enhancing Training and Skills Programmes***

69. A sum of RM2.4 billion is allocated to enhance facilities as well as undertake training and skills programmes. Of this, a sum of RM150 million is to upgrade 13 existing polytechnics as well as 15 community colleges and their branches. With this, the total enrolment is expected to reach 120,000 students, compared to 112,000 currently.

70. A sum of RM200 million is provided to existing *Institut Latihan Perindustrian* (ILP) and Advanced Technology Training Centre (ADTEC), as well as for the construction of a new ILP in Marang, Terengganu and an ADTEC in Taiping, Perak. An amount of RM360 million is allocated for *Institut Kemahiran MARA* (IKM) and *Institut Kemahiran Tinggi MARA* (IKTM), *Kolej Pelajaran MARA* (KPM) and Giat MARA projects. The monthly allowance for Giat MARA trainees will be increased from RM100 to RM200.

71. The Government will increase the number of nurses in public hospitals. A sum of RM70 million is allocated in 2009 to train 5,600 nurses in training colleges under the Ministry of Health, with 2,000 in recognised private training colleges. Furthermore, to cater for the

increasing demand for nurses, graduates in related science courses will be allowed to pursue a career in nursing by undergoing a one and a half years diploma in nursing instead of the normal three years. In addition, to improve the skills and quality of nurses, the post of assistant nurses will be upgraded to community nurses, upon completion of a six-month nursing course.

72. To support the development of regional health tourism in the Northern Corridor Economic Region (NCER), the Government will provide a launching grant of RM30 million towards the establishment of an industry-based not-for-profit training centre. The objective of the centre is to upgrade the skills of existing nurses to meet increasing market demand for specialists in nursing.

73. The Construction Industry Development Board (CIDB) should take measures to train more workers in the construction industry. For this purpose, I have directed CIDB to provide at least 100,000 industrial training opportunities in technical fields such as welding, management and safety in 2009. Construction workers are encouraged to obtain skills certification through accreditation and skills training conducted by CIDB. The costs of accreditation and skills training for local workers will be borne by CIDB.

### ***Improving Quality Of Education***

74. The Ministry of Education is allocated a sum of RM31 billion for the benefit of 5.8 million students. Of this amount, RM1.6 billion is to finance the additional posts created following the opening of 26 primary and 41 secondary schools and the additional expenditure for maintenance, food assistance, scholarship, per capita grant and new equipment.

75. To meet the need for new schools and replace dilapidated schools, 110 primary and 181 secondary schools will be built. In addition, to ensure that existing schools are well maintained, an allocation of RM615 million is provided. This allocation for maintenance cannot be vired for other purposes.

76. To improve the quality of learning at institutions of higher learning, an allocation of RM14.1 billion is provided to the Ministry of Higher Education. Of this, RM8 billion is for Operating Expenditure for public institutions of higher learning, RM627 million for polytechnics and community colleges as well as RM37 million for the Malaysian Qualification Agency. A sum of RM4.4 billion represents Development Expenditure, including for the construction of clinical facilities and medical faculties as well as for research training.

### ***Expanding the PINTAR Programme***

77. The Government welcomes the private sector's contribution to complement efforts towards enhancing the quality of education. In this regard, the PINTAR Programme, which involves adopting schools, by GLCs, was launched in 2006. As one of the initiatives under the GLC Transformation Programme, it has successfully involved the participation of 23 GLCs and their subsidiaries, benefiting 152 schools throughout the country, including Chinese and Tamil National Type Primary Schools. Among the achievements are improvements in the average passing rate of students as well as an increase in the number of students achieving excellent examination results.

78. The PINTAR Programme, which will be expanded to include participation by non-GLCs, will adopt 480 schools nationwide by 2012, with priority given to schools in Sabah and Sarawak. The Government will set up the PINTAR Foundation, with a launching grant of RM20 million to ensure that the implementation is coordinated as the Programme is expanded.

### ***Culture of Excellence***

79. To improve the country's resilience and competitiveness, it is important to instil a culture of excellence and high performance at all levels of the work force, both in the private and public sectors. Towards this end, the implementation of Key Performance Indicators was

introduced in the civil service and under the GLC Transformation Programme, with emphasis on performance-based wages at all levels of the workforce.

80. To support the Government's objective to create a knowledge based economy, it is important to increase the number of professionals serving in Malaysia and to minimise the brain drain. In this regard, the individual income tax rates have to be competitive and attractive. The Government, therefore, proposes that the highest marginal tax rate for individuals be reduced from 28% to 27%, effective the year of assessment 2009. In addition, the marginal tax rate of 13% will also be reduced to 12%, which will benefit the middle income group. These reductions, together with the increase in rebate, which I announced earlier, will benefit all taxpayers.

81. The Government welcomes initiatives undertaken by private sector employers to recognise the contributions of their workers. For this, the Government proposes that tax exemption on excellent service awards be extended to all awards relating to innovation and productivity.

82. As human capital is key towards increasing a company's competitiveness, employers should endeavour to recruit the best. In this regard, the Government proposes that recruitment costs, such as payments to employment agencies and participation in job fairs, be tax deductible.

### **THIRD STRATEGY: STRENGTHENING THE NATION'S RESILIENCE**

83. Despite the expected moderation in global economies, growth remains resilient in this region, particularly in China and India. This resilience provides significant opportunities for growth in selected sectors of the Malaysian economy, as follows:

First: regional services, such as Islamic finance, business process outsourcing, tourism, healthcare and aircraft maintenance, repair and overhaul (MRO);

Second: resource based industries, particularly petroleum and palm oil; and

Third: higher value added manufacturing, such as electronics and biotechnology.

84. Malaysia has demonstrated competitiveness in these sectors, underpinned by the strength of our professionals, who have excelled and are recognised globally. To further strengthen Malaysia's competitiveness, we need to train larger numbers and upskill existing professionals in growth sectors. Towards this end, the Government has allowed double deduction for courses conducted by INCEIF in Islamic finance. The Government proposes to extend the double deduction to employers for sponsoring their employees to pursue postgraduate studies in areas, such as in ICT, electronics and life sciences. In addition, withholding tax exemption will be given to non-resident experts providing technical training services in these areas.

### ***Conducive Environment For Private Investment***

85. The Government will continue to provide a conducive environment to encourage private sector activities. This includes measures to ensure Malaysia remains the preferred destination for foreign investments. In 2007, FDI inflow was 5.2% of GDP compared to 2% in China and 1.3% in India. Malaysia continues to attract foreign investments in a wide range of industries, especially in oil and gas as well as manufacturing. To further promote private sector investment, the Government proposes that the tax treatment on group relief be enhanced by allowing losses for the purpose of offsetting be increased from 50% to 70%.

86. The greater utilisation of ICT is essential for businesses to remain competitive. However, the use of ICT requires companies, especially SMEs, to incur large expenses to replace and upgrade ICT assets. To assist the private sector in this regard, the Government proposes that Accelerated Capital Allowance on expenses incurred on ICT equipment, which is currently claimed over two years be accelerated to one year.

87. To ensure Malaysia remains an attractive investment destination in the region, particularly among multinational companies, the tax framework has to be transparent and business friendly. To enhance certainty on pricing issues for inter-company trades within a group, the Government proposes to introduce an Advanced Pricing Arrangement mechanism. This mechanism is widely practiced in developed countries and has succeeded in resolving issues relating to transfer pricing.

88. Improving operating efficiency in ports is key to facilitating the growth in the nation's international trade. In this regard, the Government proposes to abolish the import prohibition on cranes used at ports, as well as reduce the import duty from 20% to 5%.

### **Development Of Growth Corridors**

89. The Government remains committed towards corridor development initiatives to ensure more regionally balanced socio-economic development of the nation. The intention is to provide more investment, employment and entrepreneurial opportunities in the various regions. Thus far, all the five economic corridors have been launched and initiatives, as outlined in the respective Development Masterplans, are beginning to be implemented. The five economic corridors are Iskandar Malaysia, NCER, East Coast Economic Region (ECER), Sarawak Corridor of Renewable Energy (SCORE) and Sabah Development Corridor (SDC). In the Midterm Review of the 9MP, an additional ceiling of RM10 billion has been allocated for the development expenditure of the corridors, of which RM6 billion is provided in the 2009 Budget.

90. To further strengthen private investment in Iskandar Malaysia, an additional allocation of RM300 million is provided under the Strategic Investment Fund. The Fund is to finance the implementation of private-public partnership projects, in the areas of public transportation, healthcare services, education and creative industries. These are priority socio-economic areas, where Government will support the project viability, but with the private sector bearing the project risks. In healthcare, for example, instead of the Government constructing and operating hospitals, the provision of such public services

can be partly met through the Government procuring such services from private sector providers.

91. Iskandar Malaysia will develop an integrated public transportation system, initially focusing on enhancing bus services by working together with existing bus operators. In the area of healthcare, a centre of excellence for postgraduate teaching and research will be established in partnership with private sector hospitals. Iskandar Malaysia will also set up and operate not-for-profit schools, initially on a pilot basis. These schools will have a mixed intake of Government and privately funded students. In addition, a creative cluster will be developed in Iskandar Malaysia, with funds channelled towards enhancing the capabilities of local creative talent.

92. Among the major projects being implemented in the ECER are Agropolitan in south Kelantan, Besut-Setiu and Pekan, including developing kenaf products. In the context of optimising the natural resources of the state, the Kertih Plastics Industry Cluster will be developed as a downstream industry, to enable the local residents to benefit from the petroleum resources in Terengganu. Similarly, the SCORE will focus on the development of hydroelectric power and coal, petroleum and gas downstream industries, as well as large-scale agriculture.

93. Towards realising the potential of agriculture in NCER, a number of projects are being implemented, including cattle breeding using the feedlot system in Tobiar, Laka Temin and Cuping, as well as the conversion of about 3,000 hectares of idle land for padi cultivation. In the SDC, a palm oil industry cluster in Lahad Datu and an integrated livestock centre in Keningau are being implemented.

### ***Promoting Tourism***

94. In the context of the corridor development in Sabah and Sarawak, the Government proposes that new investments by 4-star and 5-star hotel operators in Sabah and

Sarawak be given Pioneer Status with 100% income tax exemption or Investment Tax Allowance of 100% for 5 years.

95. In July 2008, UNESCO listed Melaka and Georgetown as World Heritage Sites for the living culture, history, architecture and diversified culture. This reflects a global recognition of our rich and diversified cultural heritage. To support preservation initiatives, the Government will provide an allocation of RM50 million for conservation works of heritage sites in Melaka and Pulau Pinang, to support activities undertaken by non-governmental organisations (NGOs) and private sector.

### ***Promoting Venture Capital Companies***

96. Many innovative but high risk projects often have difficulty in securing financing. Conventional sources of funding, namely bank borrowings and private debt securities, may not be appropriate for these projects. To facilitate greater investment by venture capital and private equity funds, the Government proposes that venture capital companies that invest at least 30% of their funds in start-up, early stage financing or seed capital be eligible for a 5-year tax exemption.

### ***Developing Maritime Sector***

97. As a major trading nation, the local shipping industry will be promoted to encourage the participation of more local shipping companies in freight shipment. Two funds, totalling RM2.3 billion, were set up under BPMB, namely the Malaysian Shipping Finance Fund and New Shipping Finance Facility to finance purchase of ships. These funds have been fully utilised by 68 shipping and eight shipyard companies. As such, a new RM2 billion fund will be set up to finance the purchase of ships and upgrade shipyards.

### ***Promoting Small and Medium Enterprises***

98. Small and Medium Enterprises (SMEs) play an important role in the economic development of the nation. In order to further enhance the role of SMEs in the economy, the Government recently announced two new funds totalling RM1.2 billion, funded by Bank Negara Malaysia, to assist the modernisation of SME operations, especially for purchase or upgrading of machines and equipment, as well as reducing the impact of price increases. To further support SMEs, the Government proposes all assets in the form of plant and machinery acquired in the years of assessment 2009 and 2010 be given Accelerated Capital Allowance to be claimed within one year. In addition, SMEs are allowed to claim full Capital Allowance on all small value assets within one year.

### ***National Energy Plan***

99. The success of the nation's oil and gas industry has contributed significantly to the country's socio-economic development. PETRONAS has contributed significantly in the form of royalties, taxes, duties and dividend payments to the Government. This contribution has enabled the Government to build infrastructure, and provide better education and health facilities.

100. While Malaysia has achieved remarkable success in its oil and gas industry, oil and gas remain a finite and depleting resource. Our oil and gas reserves are modest in size and are gradually depleting. While efforts to discover and exploit new reserves are ongoing and have yielded encouraging success, we must accept that domestic reserves may be fully depleted, and when that happens, it will have significant consequences on our economy.

101. In order to ensure long-term energy security for the nation, we must look for new, long-term solutions for our energy needs. This includes intensifying energy efficiency initiatives to ensure more productive and prudent use of our remaining reserves, while enhancing our efforts on developing viable alternative energy sources, such as solar, wind, and biofuels, apart from exploring nuclear energy. To this end, the Government is currently

formulating a comprehensive National Energy Plan that will address these challenges to ensure sustainability and self-sufficiency in energy supply.

102.To address the price volatility of fossil fuels, various measures have been undertaken to diversify sources of energy and conserve energy. Currently, various incentives are provided for the greater use of renewable energy and energy efficiency. Towards this end, the Government proposes the exemption of:

First: import duty and sales tax on solar photovoltaic system equipment;

Second: import duty and sales tax on intermediate goods such as High Efficiency Motors and insulation materials;

Third: sales tax on locally manufactured solar heating system equipment;

Fourth: sales tax on locally manufactured energy efficient consumers goods such as refrigerators, air-conditioners, lightings, fans and televisions; and

Fifth: 100% import duty and 50% excise duty on new hybrid CBU cars, with engine capacity below 2,000 cc, be given to franchise importers. This exemption is given for a period of two years to prepare for the local assembly of such cars.

### ***Towards A Vibrant Capital Market***

103.Malaysia's capital market has achieved remarkable growth over the years and is currently among the largest in the region. Not only has the market grown substantially in size, new innovative products have been introduced on an ongoing basis to meet the demands of domestic and foreign investors.

104.To further strengthen the Malaysian capital market and to facilitate domestic intermediaries, such as principal corporate advisors, to expand their international

business, the Government proposes that tax exemption be given on fees received by domestic intermediaries, which successfully list foreign companies and foreign investment products in Bursa Malaysia. This measure will also enable domestic investors to acquire shares of foreign companies listed in the local exchange.

105. In order to enhance Malaysia's position as a hub for Islamic capital markets, the Government proposes that tax exemption be given for a period of three years for fees and profits earned by institutions undertaking activities relating to the arranging, underwriting, distributing and trading of non-ringgit sukuk issued in Malaysia and distributed outside Malaysia.

106. Apart from this, in order to promote efforts to further diversify and attract more foreign investors to the domestic capital markets, the Government proposes that the current tax rate on dividends received by foreign institutional investors from Real Estate Investment Trusts (REIT) be reduced from 20% to 10%. Recognising that REITs is an attractive investment product for individuals as well, the Government also proposes a reduction in tax rate from 15% to 10%.

### ***Ensuring Public Safety***

107. The Government's objective is to ensure that Malaysians are able to undertake their daily activities in a safe environment. Ensuring such an environment will be a key focus of the Government. For this purpose, a sum of RM5.4 billion is allocated in the 2009 Budget to enhance the capacity of the Royal Malaysian Police (PDRM). Of this, RM4.8 billion is for Operating Expenditure and RM600 million for Development Expenditure.

108. In 2008, a total of 162 police stations and police bases were set up in crime prone areas in Selangor, Johor, Pulau Pinang dan Federal Territory of Kuala Lumpur. To enhance security, a sum of RM220 million is allocated in 2009 for the construction of police headquarters and stations nationwide.

109. For the period 2008 to 2010, a total of 22,800 constables and 3,000 inspectors will be recruited. In addition, the special incentive allowance for PDRM personnel will be increased from RM100 to RM200 monthly, effective 1 January 2009.

110. The Government had provided tax incentives on security control equipment installed in factory premises and vehicle tracking systems to enhance safety of goods. In addition, the Government proposes that all business premises installed with security control equipment be given Accelerated Capital Allowance, which is fully claimable within one year.

### ***Civil Service***

111. The Government appreciates the increased productivity and contribution of civil servants towards national development. The Government will provide a bonus of one-month salary, subject to a minimum of RM1,000 for 2008. The bonus will be paid in two instalments, namely in September and December 2008.

## **2009 BUDGET ALLOCATION**

112. The fiscal position of the Federal Government has strengthened over the past seven years, with the overall deficit reduced from 5.5% of GDP in 2000 to 3.2% in 2007. This reduction has provided greater flexibility for Government fiscal policy, especially in an environment of greater uncertainties in the global economy as well as increasing prices of goods.

113. The reduction in fiscal deficit over the last seven years has enabled the Government to implement additional measures to reduce the impact of increasing prices on Malaysians. This involves an additional allocation of RM22.1 billion this year, including RM17.0 billion for fuel subsidy and RM3.6 billion for food subsidy. Apart from these, several major sectors such as education, health, welfare and internal security are also given additional allocation totalling RM1.5 billion.

114. Taking into account the overall Federal Government revenue of RM161.6 billion and expenditure of RM196.9 billion, the fiscal deficit for 2008 is estimated to increase to 4.8%. However, the Government believes that the high fiscal deficit is a one-off necessity and is committed to reducing the fiscal deficit to 3.6% in 2009.

115. Given the strategies and programmes that I have tabled, I propose an allocation of RM207.9 billion for the 2009 Budget, which is 5.1% higher than the revised allocation for 2008. Of this, RM154.2 billion is for Operating Expenditure, while RM53.7 billion is for Development Expenditure.

116. Under Operating Expenditure, RM86.3 billion or 56.6% is allocated for Fixed Charges and Grants, RM38 billion for Emoluments, RM26.5 billion for Supplies and Services, RM2.4 billion for Purchase of Assets and RM1 billion for other expenditures.

117. As for Development Expenditure, the largest allocation of RM27.8 billion is for the economic sector, comprising agriculture, industry and infrastructure. A sum of RM17.8 billion is allocated to the social sector encompassing education, health and housing. The security sector receives RM4.1 billion while administration, RM2.1 billion, with the balance RM2 billion as Contingencies.

## **2009 ECONOMIC PROSPECTS**

118. The Malaysian economy is projected to grow by 5.4% in 2009, driven by domestic demand, with consumption and private investment increasing by 6.5% and 5.8%, respectively. Growth is expected to be broad-based with positive contributions from all economic sectors and spearheaded by the services sector, which is projected to grow by 6.9%. This is driven by robust growth in tourism, transportation, finance and banking as well as ICT related industries. External trade will remain buoyant with exports growing at 4.6%.

119.Per capita income is estimated to increase by 8.1% to RM27,900 or in purchasing power parity terms, equivalent to USD17,600. Inflation in 2009 is expected to moderate, following various Government measures to curb price increases.

## **CONCLUSION**

Mr. Speaker Sir,

120.The tabling of the 2009 Budget demonstrates yet again that the Barisan Nasional Government is responsive to the concerns of the rakyat and has taken measures to lighten the burden of all Malaysians, particularly the lower income group. The approach taken is focused towards support and assistance, which not only improves the quality of life but also enables all Malaysians to enhance their productivity. This Budget is in line with the medium term plan as articulated in the National Mission and the Ninth Malaysia Plan to further develop the nation towards Vision 2020.

121.The Barisan Nasional Government will continue to manage the economy responsibly. The Opposition, on the other hand, continues to make populist claims, which, if implemented, would undermine the Government's financial position and bequeath a bankrupt nation to the next generation.

122.Indeed, it is our collective responsibility to safeguard our political stability. Political parties, NGOs, the private sector and the media must all play their role in creating a nation that is peaceful, strong and united. Political rhetoric cannot contribute to the well being of Malaysians, nor to the economic progress of the nation. Instead, the political culture of extremism will destroy the very fabric of the nation's coherence and prosperity.

123.I wish to reiterate that the Barisan Nasional Government, which has been given the mandate by the people in March this year, will continue to safeguard political stability and enhance economic prosperity of the nation. Efforts by certain parties to destabilise the country by attempting to seize power through illegitimate means, and without the mandate

of the people, must be rejected. We cannot allow uncertainties to continue, as this will adversely affect foreign investment, economic sentiment and the capital markets. I will not allow these disturbances to continue. I will not permit the mandate given by the people to be seized from Barisan Nasional, which had won the last election with a majority of the seats, based on democratic principles. I am confident the people will continue to support the Barisan Nasional Government to govern the nation. We need to get on with the business of governing and not waste any more time with opportunistic threats to seize the people's mandate through undemocratic means.

124. Since peace and prosperity of the nation is a collective responsibility, the Government requires the understanding and participation of all Malaysians, including those with different political ideologies. Let us together defend the sovereignty and independence of this country of ours. Let us move forward together towards excellence.

125. And as we move forward, let us pray to God for guidance and blessing. We believe that, ultimately, truth will prevail over falsehood. I pray to God that our future generation will inherit a nation that is peaceful, united and prosperous.

Mr. Speaker Sir,  
I beg to propose.

## REVIEW OF INDIVIDUAL AND CO-OPERATIVE INCOME TAX

### Present Position

Resident individual income tax rates are progressive and ranges between 0% and 28%. Resident individual tax payers with chargeable income not exceeding RM35,000 are given tax rebate of RM350.

Non-resident individuals are taxed at a fixed rate of 28%.

Cooperative income tax rates are progressive and ranges between 0% and 28%. All cooperatives are given income tax exemption for 5 years from the date of registration. Cooperatives with members' fund less than RM750,000 are given tax exemption indefinitely. In addition, dividends distributed by cooperatives to their members are exempted from tax.

### Proposal

As a measure to ensure the individual income tax rates remain competitive and to increase the disposable income of the *rakyat*, it is proposed that the resident individual income tax be reviewed as follows:

- i. tax rebate for chargeable income group up to RM35,000 be increased from RM350 to RM400;
- ii. tax rate for chargeable income group exceeding RM35,000 to RM50,000 be reduced by 1 percentage point from 13% to 12%; and
- iii. tax rate for chargeable income group exceeding RM250,000 be reduced by 1 percentage point from 28% to 27%.

A comparison between the current and proposed individual income tax rates is shown in Schedule 1. The amount of tax savings is shown in Schedule 2.

In order to streamline with the reduced income tax rates for resident individuals, it is proposed that:

- i. the tax rate for non-resident individuals be reduced by 1 percentage point to 27%; and
- ii. the co-operative income tax rates be reduced as follows:
  - a. tax rate for chargeable income group exceeding RM20,000 to RM30,000 be reduced by 1 percentage point from 3% to 2%; and

- b. tax rate for chargeable income group exceeding RM500,000 be reduced by 1 percentage point from 28% to 27%.

A comparison between the current and proposed co-operative income tax rates is shown in Schedule 3 while the amount of tax savings is as in Schedule 4.

The proposal is effective from year of assessment 2009.

**Schedule 1: Comparison Between Current And Proposed Individual Income Tax Rates**

Chargeable Income Brackets (RM)	Current Tax Rates (%)	Proposed Tax Rates (%)
1-2,500	0	0
> 2,500- 5,000	1	1
> 5,000- 20,000	3	3
> 20,000- 35,000	7	7
> 35,000- 50,000	13	<b>12</b>
> 50,000- 70,000	19	19
> 70,000- 100,000	24	24
> 100,000- 250,000	27	27
> 250,000	28	<b>27</b>

**Schedule 2: Tax Savings Resulting From The Proposed Reduction In Individual Income Tax Rates And Increase In Rebate**

CURRENT				PROPOSED				
Chargeable Income Brackets (RM)	Current Tax Rates	Tax Payable (RM)	Tax After Rebate of RM350	Proposed Tax Rates	Tax Payable (RM)	Tax After Rebate of RM400	Tax Savings	
							(RM)	%
1-2,500	0%	-		0%	-			
> 2,500-5,000	1%	25		1%	25			
		25	-		25	-	-	-
> 5,000-10,000	3%	150		3%	150			
		175	-		175	-	-	-
> 10,000-20,000	3%	300		3%	300			
		475	125		475	75	50	40.00
> 20,000-35,000	7%	1,050		7%	1,050			
		1,525	1,175		1,525	1,125	50	4.26
> 35,000-50,000	<b>13%</b>	1,950		<b>12%</b>	1,800			
		3,475	3,475		3,325	3,325	150	4.32
> 50,000-70,000	19%	3,800		19%	3,800			
		7,275	7,275		7,125	7,125	150	2.06
> 70,000-100,000	24%	7,200		24%	7,200			
		14,475	14,475		14,325	14,325	150	1.04
> 100,000-150,000	27%	13,500		27%	13,500			
		27,975	27,975		27,825	27,825	150	0.54
> 150,000-250,000	27%	27,000		27%	27,000			
		54,975	54,975		54,825	54,825	150	0.27
> 250,000	<b>28%</b>			<b>27%</b>			*	

\* Tax savings for chargeable income exceeding RM250,000 = RM150 + [1% x (chargeable income – RM250,000)]

**Schedule 3: Comparison of Current and Proposed Co-operative Income Tax Rates**

Chargeable Income Brackets (RM)	Current Tax Rates (%)	Proposed Tax Rates (%)
1- 10,000	0	0
> 10,000 - 20,000	0	0
> 20,000 - 30,000	3	2
> 30,000 - 40,000	6	6
> 40,000 - 50,000	9	9
> 50,000 - 75,000	12	12
> 75,000 - 100,000	16	16
> 100,000 - 150,000	20	20
> 150,000 - 250,000	23	23
> 250,000 - 500,000	26	26
> 500,000	28	27

**Schedule 4: Tax Savings Resulting From The Proposed Reduction In Co-operative Income Tax Rates**

CURRENT			PROPOSED			
Chargeable Income Brackets (RM)	Current Tax Rates	Tax Payable (RM)	Proposed Tax Rates	Tax Payable (RM)	Tax Savings	
					(RM)	%
1 - 20,000	0%	-	0%	-		
> 20,000 - 30,000	3%	300	2%	200	100	33.33
> 30,000 - 40,000	6%	600	6%	600		
> 40,000 - 50,000	9%	900	9%	800	100	11.11
> 50,000 - 75,000	12%	1,800	12%	900	900	
> 75,000 - 100,000	16%	3,000	16%	1,700	1,300	
> 100,000 - 150,000	20%	4,800	20%	3,000	1,800	
> 150,000 - 250,000	23%	8,800	23%	4,700	4,100	
> 250,000 - 500,000	26%	10,000	26%	4,000	6,000	
> 500,000	28%	18,800	27%	8,700	10,100	
		23,000		10,000	13,000	
		41,800		18,700	23,100	
		65,000		41,700	23,300	
		106,800		65,000	41,800	
				106,700	100	0.09
					*	

\* Tax savings for chargeable income exceeding RM500,000 = RM100 + [1% x (chargeable income – RM500,000)]

**APPENDIX 2**

**TAX EXEMPTION ON INTEREST FROM DEPOSITS**

## **Present Position**

Interest income received from moneys deposited in all institutions approved to take deposits is taxed at 5%.

However, interest income received from the following deposits is exempted from tax:

- i. savings account in Lembaga Tabung Haji and Bank Simpanan Nasional;
- ii. fixed deposit account up to RM100,000 in all banking and financial institutions approved under the Banking and Financial Institutions Act 1989, Islamic Banking Act 1983, Bank Pertanian Malaysia Berhad, Bank Kerjasama Rakyat Malaysia Berhad, Bank Simpanan Nasional, Borneo Housing Mortgage Finance Berhad and Malaysia Building Society Berhad; and
- iii. fixed deposit account exceeding 12 months in institutions in paragraph (ii) above.

## **Proposal**

To increase the disposable income especially of those who depend on income from savings, it is proposed that tax on interest income received by individuals from moneys deposited in all institutions approved to take deposits be fully exempted.

The proposal is effective from 30 August 2008.

**REVIEW OF INCOME TAX TREATMENT ON  
ALLOWANCES, BENEFITS IN KIND AND PERQUISITES**

**Present Position**

Allowances, benefits in kind and perquisites received by employees are subject to tax. However, perquisites in the form of excellent service, safety and long service awards are given tax exemption of up to RM1,000 a year. Tax exemption has been given on benefits in kind as follows:

- i. medical and dental care;
- ii. childcare benefits in childcare centres provided by employers;
- iii. the value of employer's own products or services received by employees of up to RM200 a year;
- iv. mobile phones exceeding RM300 and telephone bills exceeding RM300;
- v. broadband subscription fee;
- vi. free transport from certain pick-up points or from between the home and work place;
- vii. meals and drinks provided free of charge;
- viii. group insurance premiums to cover workers in the event of an accident; and
- ix. leave passage including food and accommodation in Malaysia not exceeding 3 times in a calendar year or leave passage outside Malaysia once in a calendar year not exceeding RM3,000.

The expenses incurred by employers in providing the above allowances, benefits in kind and perquisites are allowed as full deduction if the provision of such benefits are required to be given to employees in accordance with the contract of service.

**Proposal**

To encourage employers to provide more benefits to their employees and to assist in reducing cost of living, it is proposed that employees be given tax exemption on allowances, benefits in kind and perquisites received from employers as follows:

- i. petrol card or petrol allowance or travel allowance between the home and work place up to RM2,400 a year;
- ii. petrol card or petrol allowance or travel allowance and toll card for official duties up to RM6,000 a year;
- iii. allowance or fees for parking;
- iv. meal allowance;
- v. allowance or subsidies for childcare of up to RM2,400 a year;
- vi. telephone and mobile phone, telephone bills, pager, personal data assistant (PDA) and internet subscription;
- vii. employers' own goods provided free of charge or at discounted value where the value of the discount does not exceed RM1,000 a year;
- viii. employers' own services provided free or at a discount provided such benefits are not transferable;
- ix. subsidies on interest on loans totaling up to RM300,000 for housing, passenger motor vehicles and education. The exemption be given to existing and new loans;
- x. medical benefits exempted from tax be extended to include expenses on maternity and traditional medicines such as ayurvedic and acupuncture; and
- xi. existing perquisites be extended to awards related to innovation, productivity and efficiency such as the Six Sigma Award and the exemption be increased from RM1,000 to RM2,000 a year.

The above exemptions are not extended to directors of controlled companies, sole proprietors and partnerships.

Expenses on allowance, benefits in kind and perquisites provided by employers be given full deduction even though such benefits are not stipulated in the service contract of the employee.

All the above proposals are effective from year of assessment 2008 except for proposal (i) which is effective from year of assessment 2008 to year of assessment 2010.

**REVIEW OF ROAD TAX ON PRIVATE VEHICLES  
OWNED BY INDIVIDUALS AND COMPANIES**

**Current Position**

Private saloon and non-saloon diesel vehicles owned by individuals and companies are subject to higher road tax compared to petrol vehicles (except in Sarawak). This disparity is closely related to the difference in fuel price structure in the past whereby the retail price of diesel was far lower than the retail price of petrol. However, after the steep hike in world oil price, the retail price of diesel has risen and does not differ much from the retail price of petrol. Hence, owners of diesel vehicles are burdened with high diesel prices and high road tax.

**Proposal**

To provide an equitable road tax treatment with the fuel price structure, it is proposed that road tax imposed on private saloon and non-saloon diesel vehicles owned by individuals and companies be reduced to be equated with that of petrol vehicles.

In line with this proposal, the current road tax treatment on green diesel vehicles which is 50% lower than diesel vehicles in the whole of Malaysia be withdrawn.

The proposal is effective from 1 September 2008.

## TAX INCENTIVES FOR BUS AND TAXI OPERATORS

### Present Position

Locally assembled buses including air conditioners installed in buses are subject to 10% sales tax. Since sales tax is a consumption tax, therefore the tax is borne by the purchasers such as the bus operators.

Expenses incurred in the purchase of buses are eligible for capital allowance to be claimed within a period of 4 years. Buses using natural gas are eligible for capital allowance to be claimed within 2 years.

Road tax on all types of buses and taxis are as follows:

Fuel Type/Engine Capacity	Current Road Tax Rates (RM per year)	
	Express/Shuttle/ Tourist/Chartered Bus	Factory Bus/ Bus for Workers
<b>Petrol</b>		
≤ 2000cc	25	25
> 2000cc	50	50
<b>Diesel</b>		
≤ 2000cc	150	75
2001cc - 3500cc	300	150
>3500cc	600	300
<b>Petrol &amp; Diesel</b>	<b>Hire And Drive Vehicles/ Limousines</b>	<b>Taxis/ Hired Cars</b>
≤ 1200cc	60	30
> 1200cc	100	50

\* The road tax rate in Pulau Langkawi and Pulau Pangkor is 50% of the rate in Peninsular Malaysia. The road tax rate in Labuan is 50% of the rate in Sabah, except for vehicles with engine capacity of 1000 cc and below whereby road tax is RM20 per year being the same rate as in Peninsular Malaysia and Sabah. The road tax rate on vehicles with green diesel engines is 50% of the rate of ordinary diesel vehicles, except for private vehicles with engine capacity of 1000 cc and below, road tax is at RM20 per year. The road tax rate on dual fuel vehicles i.e. green diesel engines using natural gas (NGV) and diesel is 25% of the road tax rate on ordinary diesel vehicles.

### Proposal

To reduce the operational cost of buses and taxi operators, it is proposed that:

- i. bus operators be given sales tax exemption on the purchase of locally assembled buses including air-conditioners;

- ii. expenses incurred in the purchase of new buses be given Accelerated Capital Allowance to be claimed within one year; and
- iii. road tax be reduced to RM20 a year on all types of buses and taxis as well as hired cars including limousines and hire and drive vehicles. In line with this proposal, the current road tax treatment on green diesel vehicles which is 50% lower than diesel vehicles in the whole of Malaysia be withdrawn.

Proposal (i) is for applications received by the Ministry of Finance from 30 August 2008 until 31 December 2011.

Proposal (ii) is effective for buses purchased in year of assessment 2009 until year of assessment 2011.

Proposal (iii) is effective from 1 September 2008. █

**ENHANCING TAX INCENTIVES FOR REARING OF  
CHICKEN AND DUCKS USING CLOSED HOUSE SYSTEM**

**Present Position**

- A. Chicken and duck rearers operating in promoted areas namely the Eastern Corridor of Peninsular Malaysia (Kelantan, Terengganu, Pahang and district of Mersing), Perlis, Sabah and Sarawak who undertake new investments are given the following incentives:
- i. Pioneer Status with tax exemption of 100% on statutory income for a period of 5 years; or
  - ii. Investment Tax Allowance of 60% on qualifying capital expenditure incurred within a period of 5 years. The allowance to be set-off against 100% of the statutory income for each year of assessment.
- B. Chicken and ducks rearers who reinvest for the purpose of shifting from opened house system to closed house system are given Reinvestment Allowance (RA) for a period of 15 consecutive years commencing from the first year the reinvestment is made, as follows:
- i. projects located in the promoted areas are given RA of 60% on qualifying capital expenditure. The allowance is to be set-off against 100% of the statutory income for each year of assessment; and
  - ii. projects located outside the promoted areas are given RA of 60% on qualifying capital expenditure. The allowance is to be set-off against 70% of the statutory income for each year of assessment.

This incentive is given on condition that the minimum rearing capacity of the closed house system is at least:

- i. 20,000 broiler chicken/broiler ducks per cycle; or
- ii. 20,000 breeder chicken/breeder ducks per cycle; or
- iii. 50,000 layer chicken/layer ducks per cycle.

The above RA is given until the year of assessment 2010.

Chicken and duck rearers who commence operations using closed house system and reinvest are not eligible for RA.

## **Proposal**

To ensure an environment friendly rearing system and to ensure a sufficient supply of chicken and duck meat, it is proposed that chicken and duck rearers who reinvest to expand the closed house system in existing or new locations be given the following incentives:

- i. projects located in the promoted areas be given RA of 60% on qualifying capital expenditure. The allowance is to be set-off against 100% of the statutory income for each year of assessment; and
- ii. projects located outside the promoted areas be given RA of 60% on qualifying capital expenditure. The allowance is to be set-off against 70% of the statutory income for each year of assessment.

These incentives are given to chicken and duck rearers using closed house system approved by the Ministry of Agriculture and Agro-Based Industry.

The proposal is effective from year of assessment 2009 to year of assessment 2010.

**STAMP DUTY EXEMPTION ON LOAN AGREEMENTS  
FOR RESIDENTIAL PROPERTIES**

**Present Position**

Purchasers of residential properties are given stamp duty exemption on the following instruments:

- i. all instruments including loan agreements for the purchase of low cost houses are given full exemption; and
- ii. instruments of transfer for residential properties priced up to RM250,000 are given 50% exemption. The exemption is given to sales and purchase agreements executed beginning 8 September 2007 to 31 December 2010 and given only to one residential property for each individual.

**Proposal**

To reduce the cost of home ownership, it is proposed that loan agreement instruments executed for the purchase of residential properties priced up to RM250,000 be given 50% stamp duty exemption. The exemption is given to individual Malaysian citizen and limited to the purchase of one residential property only.

The proposal is effective for sale and purchase agreements executed from 30 August 2008 to 31 December 2010.

**EXTENDING THE SCOPE OF TAX  
DEDUCTION ON COMMUNITY PROJECTS**

**Present Position**

Expenses incurred by companies on charitable or community projects approved by the Minister of Finance are eligible for deduction for the purpose of tax computation under Section 34(6)(h) Income Tax Act 1967. The tax deduction is given for contributions made towards charitable or community projects relating to education, health, housing, infrastructure and information and communication technology.

**Proposal**

To further enhance a culture of corporate social responsibility, it is proposed that the scope of charitable and community projects eligible for deduction for the purpose of tax computation be extended to include projects related to increase the income of the poor as well as for the conservation or preservation of the environment.

The proposal is effective from year of assessment 2009.

## INCREASING THE LIMIT FOR TAX DEDUCTION ON CONTRIBUTIONS

### Present Position

Contributions made by companies are given deductions for the purpose of tax computations up to 7% of aggregate income as follows:

- i. contributions made in the form of cash to approved institutions, organizations or funds for charitable purposes approved under Section 44(6) Income Tax Act 1967 (ITA);
- ii. contributions made in the form of cash or the cost of contributions in the form of goods for sports activities approved by the Minister of Finance or Sports Commissioner under Section 44(11B) ITA; and
- iii. contributions made in the form of cash or the cost of contributions in the form of goods for projects of national interest approved by the Minister of Finance under Section 44(11C) ITA.

Companies are not motivated to increase their contributions upon attaining the maximum rate allowed as deduction for the purpose of tax computation.

### Proposal

In order to encourage companies to increase their contributions for charitable purposes, sports activities and projects of national interest, it is proposed that the limit for tax deduction for purpose of tax computation be increased from 7% to 10% of aggregate income.

The proposal is not extended to companies under the Petroleum (Income Tax) Act 1967.

The proposal is effective from year of assessment 2009.

**DEDUCTION ON EXPENSES FOR RECRUITMENT OF WORKERS**

**Present Position**

Generally, cost of recruitment of workers is allowed as deduction for the purpose of tax computation except if such expenses are incurred before the companies commence operations.

**Proposal**

To reduce the cost of doing business and to ensure that the company obtains excellent human capital, it is proposed that the recruitment cost incurred before the commencement of operations be allowed as a deduction for the purpose of tax computation. Such cost includes expenses incurred in participation in job fairs, payment to employment agencies and head-hunters.

The proposal is effective from year of assessment 2009.

## TAX INCENTIVES TO ENHANCE TRAINING IN SELECTED FIELDS

### Present Position

Expenses incurred by employers to train their employees are eligible for deduction for the purpose of tax computation. Expenses incurred for the training of employees at approved training institutions such as International Centre for Education in Islamic Finance (INCEIF) and Penang Skills Development Centre (PSDC) are eligible for double deduction.

Malaysia has successfully established itself as a regional centre for Islamic finance, health care, information and communication technology (ICT) and electronics, in addition to aircraft maintenance, repair and overhaul (MRO). The nation's competitiveness in these areas is underpinned by the talents of the nation's human capital. To further strengthen Malaysia's competitiveness and facilitate greater investment in these fields, a larger number need to be trained and to enhance the skills of existing professionals.

### Proposal

To further encourage the private sector to train Malaysians, to ensure a sufficient pool of skilled manpower and to strengthen the competitiveness of Malaysian professionals, it is proposed that:

- A. double deduction be given on expenses incurred by employers in training their employees in the following fields:
  - i. post graduate courses in information communication and technology (ICT), electronics and life sciences;
  - ii. post basic courses in nursing and allied health care; and
  - iii. aircraft maintenance engineering courses.
- B. withholding tax exemption be given to non-resident experts on income received by providing technical training services in the above fields.

Proposal (A) is effective from year of assessment 2009 to the year of assessment 2012.

Proposal (B) is effective from 30 August 2008 until 31 December 2012.

**ENHANCING GROUP RELIEF**

**Present Position**

Group relief is a tax treatment which allows losses of a company to be set-off against the income of another company within the same group. Currently, this treatment is limited to 50% of current year unabsorbed losses to be set-off against the income of another company in the same group.

**Proposal**

To further strengthen the competitiveness of companies, it is proposed that the rate of current year losses allowed to be set-off in group relief treatment be increased from 50% to 70%.

This proposal is effective from year of assessment 2009.

**TAX INCENTIVE TO ENHANCE THE USE OF ICT**

**Present Position**

Accelerated Capital Allowance given on information and communication technology (ICT) equipment including computer and software can be claimed within 2 years with an initial allowance of 20% and an annual allowance of 40%.

**Proposal**

To encourage the private sector to invest in the latest ICT equipment and in line with the development in ICT, it is proposed that the period to claim Accelerated Capital Allowance on expenses incurred on ICT equipment including computer and software be accelerated from 2 years to 1 year.

The proposal is effective for year of assessment 2009 to year of assessment 2013.

## IMPLEMENTATION OF ADVANCE PRICING ARRANGEMENT

### Current Position

Advance Pricing Arrangement (APA) is not included in the scope of Advance Rulings under the Income Tax (Advance Ruling) Rules 2007 which came into effect on 1 January 2007. APA is a mechanism to predetermine prices of goods and services to be transacted in the future between a company and its related companies for a specified period.

APA has been in practice in many countries to determine transfer pricing for cross border transactions on a prospective basis involving Unilateral, Bilateral and Multilateral approaches. The parties involved in APA consist of the Tax Authority and:

- i. a resident company in respect of transactions with its related companies abroad (Unilateral APA);
- ii. a resident company in respect of transactions with its related companies abroad with the Tax Authority of the foreign nation (Bilateral APA); or
- iii. a resident company in respect of transactions with more than one of its related companies and with more than one Tax Authorities of foreign nations (Multilateral APA).

### Proposal

To manage transfer pricing issues more effectively and efficiently compared to transfer pricing audit, it is proposed that companies be allowed to apply for APAs to the Director General of Inland Revenue Board. The objective of establishing APAs is to determine transaction prices for income tax purposes.

This proposal is effective from 1 January 2009.

**ENHANCING TAX INCENTIVES FOR HOTELS  
IN SABAH AND SARAWAK**

**Present Position**

Hotel operators in Sabah and Sarawak are given the following incentives:

A. New investments for 1 to 3 star hotel:

- i. Pioneer Status with income tax exemption of 100% of statutory income for a period of 5 years; or
- ii. Investment Tax Allowance of 100% on qualifying capital expenditure incurred within a period of 5 years. The allowance is to be set-off against 100% of statutory income for each year of assessment.

New investments for 4 and 5 star hotel are not given tax incentives.

B. Reinvestment for the purpose of expansion, modernization and renovation of 1 to 5 star hotel is given incentives as in (i) and (ii) above. These incentives are given for 2 rounds.

**Proposal**

To support the development of the Corridors in Sabah and Sarawak as well as to increase tourism activities in these states, it is proposed that hotel operators undertaking new investments in 4 and 5 star hotel in Sabah and Sarawak be given Pioneer Status or Investment Tax Allowance incentives as above.

The proposal is effective for applications received by the Malaysian Industrial Development Authority (MIDA) from 30 August 2008 to 31 December 2013.

## STIMULATING THE DEVELOPMENT OF VENTURE CAPITAL INDUSTRY

### **Present Position**

One of the tax incentives for venture capital companies (VCC) is income tax exemption for 10 years subject to the investment condition as follows:

- i. at least 50% of funds invested in venture companies must be in seed capital; or
- ii. at least 70% of funds invested in venture companies must be in start-up or early stage financing.

### **Proposal**

To stimulate and further promote the funding of venture companies, it is proposed that VCC investing in venture companies with at least 30% of its funds in seed capital, start-up or early stage financing be given income tax exemption for 5 years.

The proposal is effective for applications received by the Securities Commission from 30 August 2008 until 31 December 2013.

## TAX INCENTIVES FOR SMALL AND MEDIUM ENTERPRISES

### Present Position

Expenses incurred on plant and machinery are given capital allowance to be claimed within 6 years. Whilst, expenses incurred on assets valued less than RM1,000 (small value assets) are given capital allowance to be claimed within one year. However, the total value of small assets that qualify for capital allowance is limited to RM10,000 only. This treatment is applicable to all companies including small and medium enterprises (SMEs). For expenses on certain assets eligible for Accelerated Capital Allowance such as security control equipment and ICT equipment, the capital allowance claimed depends on the accelerated period specified.

SME is defined as a company resident in Malaysia with a paid up capital of ordinary shares of RM2.5 million or less at the beginning of the basis period of a year of assessment. SMEs are subject to income tax rate of 20% on the first RM500,000 chargeable income and 26% on the remaining chargeable income.

### Proposal

In order to improve the cash flow and enhance the competitiveness of the SMEs by increasing their investment in modern and sophisticated machinery and equipment, it is proposed that:

- i. SMEs be given Accelerated Capital Allowance on expenses incurred on plant and machinery acquired in year of assessment 2009 and 2010. The allowance is to be claimed within 1 year that is in the year of assessment the asset is fully acquired; and
- ii. SMEs be not subject to the maximum limit of RM10,000 for capital allowance on small value assets.

For the purpose of imposition of income tax and tax incentives, the definition of SMEs is reviewed as a company resident in Malaysia with a paid up capital of ordinary shares of RM2.5 million or less at the beginning of the basis period of a year of assessment whereby such company cannot be controlled by another company with a paid up capital exceeding RM2.5 million.

Proposal (i) is effective for year of assessment 2009 and year of assessment 2010 whilst proposal (ii) is effective from year of assessment 2009.

**ENHANCING TAX INCENTIVES FOR THE GENERATION  
OF ENERGY FROM RENEWABLE SOURCES**

**Present Position**

Tax incentives for companies generating energy from renewable sources are as follows:

**A. Companies generating energy from renewable sources**

- i. Pioneer Status with income tax exemption of 100% of statutory income for 10 years; or
- ii. Investment Tax Allowance of 100% on qualifying capital expenditure incurred within a period of 5 years. The allowance to be set-off against 100% of statutory income for each year of assessment; and
- iii. import duty and sales tax exemption on equipment used to generate energy from renewable sources not produced locally and sales tax exemption on equipment purchased from local manufacturers.

Other companies in the same group are given Pioneer Status or Investment Tax Allowance as above even though one company in the same group has been granted the same incentive.

**B. Companies generating energy from renewable sources for own consumption**

Investment Tax Allowance of 100% on qualifying capital expenditure incurred within a period of 5 years. The allowance to be set-off against 100% of statutory income for each year of assessment.

Non-energy generating companies which import or purchase equipment to generate energy from renewable sources for consumption by third parties such as housing developer or owner of building are not given tax incentives.

**Proposal**

To widen the usage of energy from renewable sources, it is proposed that:

- i. import duty and sales tax exemption on solar photovoltaic system equipment for the usage by third parties be given to importers

including photovoltaic service providers approved by the Energy Commission; and

- ii. sales tax exemption on the purchase of solar heating system equipment from local manufacturers.

The proposal is effective for applications received by the Ministry of Finance from 30 August 2008 until 31 December 2010.

## ENHANCING TAX INCENTIVES FOR ENERGY CONSERVATION

### Present Position

Tax incentives for energy conservation (Energy Efficiency – EE) activities are as follow:

#### A. Companies providing energy conservation services

- i. Pioneer Status with income tax exemption of 100% of statutory income for 10 years; or
- ii. Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of 5 years. The allowance to be set-off against 100% of the statutory income for each year of assessment; and
- iii. import duty and sales tax exemption on energy conservation equipment that are not produced locally and sales tax exemption on the purchase of equipment from local manufacturers.

#### B. Companies which incur capital expenditure for energy conservation for own consumption

- i. Investment Tax Allowance of 100% of the qualifying capital expenditure incurred within 5 years. The allowance to be set-off against 100% of statutory income for each year of assessment; and
- ii. import duty and sales tax exemption on energy conservation equipment that are not produced locally and sales tax exemption on the purchase of equipment from local manufacturers.

These incentives are only given to companies providing energy conservation services to other companies or for their own consumption. Companies importing or purchasing locally manufactured EE equipment for third party consumption are not given tax incentives.

### Proposal

As a measure to widen the usage of EE equipment, it is proposed that:

- i. exemption of import duty and sales tax be given on EE equipment such as high efficiency motors and insulation materials to importers including authorized agents approved by the Energy Commission; and

- ii. sales tax exemption be given on the purchase of locally manufactured EE consumer goods such as refrigerator, air conditioner, lightings, fan and television.

These incentives are effective for applications received by the Ministry of Finance from 30 August 2008 until 31 December 2010.

## TAX INCENTIVES FOR HYBRID CARS

### Present Position

The importation of completely built-up (CBU) cars including hybrid cars below 2,000 cc is subject to the following taxes:

Engine Capacity (cc)	Import Duty (%)		Excise Duty (%)	Sales Tax (%)
	MFN	CEPT		
<1800	30	5	75	10
≥1800 to < 2000	30	5	80	10

### Proposal

To promote Malaysia as a regional hub for hybrid cars and as an incentive for local car manufacturers and assemblers to prepare for the assembly of such cars domestically, it is proposed that franchise holders of hybrid cars be given 100% exemption of import duty and 50% exemption of excise duty on new CBU hybrid cars.

The above exemption is subject to the following criteria and conditions:

- i. hybrid cars should comply with the United Nations' definition as follows:  
 "A vehicle with at least 2 different energy converters and 2 different energy storage systems (gasoline and electric) on-board the vehicle for the purpose of vehicle propulsion";
- ii. limited to new CBU hybrid passenger cars with engine capacity below 2000 cc;
- iii. engine specification of at least Euro 3 technology;
- iv. hybrid cars certified by Road Transport Department, obtaining Vehicle Type Approval and certified to have achieved not less than a 50% increase in the city-fuel economy or not less than a 25% increase in combined city-highway fuel economy relative to a comparable vehicle that is an internal combustion gasoline fuel; and
- v. emission of carbon monoxide of less than 2.3 gram per kilometre.

The proposal is effective for applications received by the Ministry of Finance from 30 August 2008 until 31 December 2010.

**INCENTIVES FOR LISTING OF FOREIGN COMPANIES  
AND FOREIGN PRODUCTS IN BURSA MALAYSIA**

**Present Position**

In order to develop the capital markets, Malaysia needs to attract foreign companies and foreign product listings in Bursa Malaysia. Corporate advisors are not motivated to attract foreign companies and foreign product listings due to high marketing cost.

**Proposal**

To reduce cost of corporate advisors to attract foreign companies and foreign product listings in Bursa Malaysia, it is proposed that income tax exemption be given on fees received by corporate advisors for primary listing, dual listing or cross listings of:

- i. corporations with predominantly foreign based operations;
- ii. Exchange Traded Funds and Real Estate Investment Trusts with foreign based assets;
- iii. foreign listed securities; and
- iv. foreign financial instruments.

The proposal is subject to listing conditions approved by the Securities Commission.

The proposal is effective from year of assessment 2009 to year of assessment 2013.

**TAX EXEMPTION ON INCOME OF CORPORATE ADVISORS  
ON THE ISSUANCE AND TRADING OF SUKUK**

**Present Position**

Malaysia's position in the global sukuk market is challenging as a result of the emergence of other market players. The bulk of Malaysia's sukuk market is mainly in ringgit denominated instruments.

To strengthen Malaysia's position in the global sukuk market, it is vital for Malaysia to enhance the issuance of non-ringgit sukuk more aggressively.

**Proposal**

To promote the issuance of non-ringgit sukuk in Malaysia and to strengthen Malaysia's competitiveness in the global sukuk market, it is proposed that income tax exemption be given on:

- i. fees earned by qualified institutions in undertaking activities related to the arranging, underwriting and distributing of non-ringgit sukuk issued in Malaysia and distributed outside Malaysia; and
- ii. profits received by qualified institutions from the trading of non-ringgit sukuk issued in Malaysia.

These incentives are subject to the condition that such sukuk and institutions are approved by the Securities Commission.

The proposal is effective from year of assessment 2009 to year of assessment 2011.

**REVIEW OF INCENTIVES FOR REAL ESTATE INVESTMENT TRUSTS**

**Present Position**

Among the tax incentives given to Real Estate Investment Trusts (REITs) are as follows:

- i. foreign institutional investors especially pension funds and collective investment funds receiving income from REITs listed in Bursa Malaysia are subject to a final withholding tax rate of 20% for 5 years; and
- ii. non-corporate investors including resident and non-resident individuals as well as other local entities receiving income from REITs listed in Bursa Malaysia are subject to a final withholding tax of 15% for 5 years.

**Proposal**

To further promote the development of REITs in Malaysia and to attract foreign investment particularly funds from West Asia, it is proposed that the final withholding tax rate imposed on foreign institutional investors be reduced to 10%. In addition, recognizing that REITs is an attractive investment product for individuals, it is proposed that the withholding tax rate on non-corporate investors including individual residents and non-residents be reduced to 10%.

The proposal is effective from 1 January 2009 until 31 December 2011.

**EXTEND TAX INCENTIVE  
TO ENHANCE SECURITY CONTROL**

**Present Position**

Accelerated Capital Allowance is given on security control equipment installed in the factory premises of companies licensed under the Industrial Coordination Act 1975. This allowance is eligible to be claimed within 1 year.

**Proposal**

Besides factory premises, other business premises such as hotels and banks also install security control equipment. To support the efforts of companies to enhance the security of their businesses, it is proposed that Accelerated Capital Allowance on security control equipment be extended to all business premises. Security control equipment eligible for the allowance are:

- i. anti-theft alarm system;
- ii. infra-red motion detection system;
- iii. siren;
- iv. access control system;
- v. closed circuit television;
- vi. video surveillance system;
- vii. security camera;
- viii. wireless camera transmitter; and
- ix. time lapse recording and video motion detection equipment.

The proposal is effective from year of assessment 2009 to year of assessment 2012.

## PROVISION TO DETERMINE AND COLLECT TAX ON OTHER INCOMES OF NON-RESIDENTS

### Current Position

Provisions to determine and collect tax on other incomes of non-residents under Section 4(f) Income Tax Act 1967 (ITA) are not clearly provided. Incomes under Section 4(f) are gains and profits not covered under Section 4(a) to 4(e) ITA. Such incomes under Section 4(f) ITA include commissions, guarantee fees and introducer's fees.

### Proposal

To enhance transparency, equity and effectiveness of the tax system, it is proposed that provisions to determine the tax liability of non-residents be established as follows:

- i. if responsibility for the payment of gains or profits lies with the Federal Government, State Government or local authorities; or
- ii. if responsibility for the payment of gains or profits lies with the resident; or
- iii. if such payment is charged as an outgoing or expenses in the accounts of a business carried on in Malaysia.

The income under Section 4(f) ITA is taxed at a rate of 10% from the gross income. The collection of tax from the income of non-residents be implemented under the withholding tax mechanism.

This proposal is effective from 1 January 2009.

## **IMPROVEMENT OF REINVESTMENT ALLOWANCE**

### **Present Position**

Reinvestment Allowance (RA) is given to companies engaged in manufacturing, processing and selected agricultural activities that reinvest for the purposes of expansion, automation, modernisation or diversification on condition that such companies have been in operation for at least 12 months. RA can be claimed for 15 consecutive years commencing from the year of assessment the company make the first claim.

RA is given at 60% of the qualifying capital expenditure incurred in a year of assessment. It is allowed to be set-off against up to 70% of statutory income. Companies that achieve a certain level of productivity based on a process efficiency ratio and companies located in promoted areas (Eastern Corridor of Peninsular Malaysia, Perlis, Sabah and Sarawak) are allowed to offset the RA against 100% of statutory income.

Where an asset is disposed off at any time within two years from the date of acquisition of that asset, the RA given shall be withdrawn in the year of disposal.

The current condition for companies to be in operation for at least 12 months in order to claim RA is short. Generally, companies do not initially invest substantially and do not operate in full capacity. In addition, there are no legal provisions to prevent companies within the same group from claiming RA on the same asset that has been given RA. Companies may also dispose off an asset which has been given RA after 2 years from the date of purchase without any penalty imposed even though the RA on that asset has been fully set-off.

### **Proposal**

To further improve the RA, it is proposed that the criteria and conditions of this incentive be amended as follows:

- i. manufacturing activity be given a more specific and clear definition under Schedule 7A, Income Tax Act 1967;
- ii. the condition that a company must be in operation for at least 12 months to be eligible to claim RA be extended to at least 36 months;
- iii. a company purchasing an asset from a related company within the same group where RA has been claimed on that asset is not allowed to claim RA on the same asset; and

- iv. the provision to claw back RA for assets disposed off within a period of 2 years from the date of purchase of the asset be extended to 5 years.

The proposal is effective from year of assessment 2009.

## **APPENDIX 27**

### **REVIEW OF WITHHOLDING TAX ON TECHNICAL FEES**

#### **Present Position**

Technical fees paid to non-residents are subject to income tax of 10% on the gross income. The responsibility to pay tax lies with the person who pays the technical fees through the withholding tax mechanism. The gross income includes reimbursements such as traveling cost, hotel accommodation and telephone bills.

#### **Proposal**

To reduce the cost of technical services provided by non-residents, it is proposed that reimbursements relating to hotel accommodation in Malaysia be not included in the computation of gross technical fees for the purpose of withholding tax.

The proposal is effective from 1 January 2009.

## SELF AMENDMENT FOR ADDITIONAL ASSESSMENT OF INCOME TAX

### Present Position

Under the Self Assessment System, a tax payer declares his income and computes tax payable in the income tax form. Where the tax payer commits an error by under-declaring his income or claiming excessive deductions or expenses, the existing provisions do not allow him to make amendments to the self-assessed return.

### Proposal

To enhance the Self Assessment System, it is proposed that a new provision be introduced in the Income Tax Act 1967 to allow tax payers to make self amendment for additional assessment. The conditions for self amendment are as follows:

- i. amendments allowed are in respect of errors resulting in increased assessments such as errors committed in reporting income or claims on deductions or expenses;
- ii. self amendment be allowed only once for each year of assessment;
- iii. self amendment be allowed within a period of 6 months from the due date of furnishing the tax form; and
- iv. tax payer makes self amendment in specified forms.

A tax payer who makes self amendment will not be subject to a penalty for the under-declaration of income or excessive claim on deductions or expenses. However, a tax payer is subject to a late payment penalty equivalent to the penalty imposed on a tax payer who files a correct return but defaults in paying tax due within the stipulated period.

The proposal is effective from year of assessment 2009.

**WIDENING THE SCOPE OF APPEAL TO  
SPECIAL COMMISSIONERS OF INCOME TAX**

**Present Position**

The existing provisions in the Income Tax Act 1967 allow the tax payer to file an appeal only when an assessment issued by the Director General of Inland Revenue (DGIR) involves income tax liability. Therefore, a tax payer with no tax liability (including loss cases) is not allowed to file an appeal to the Special Commissioners of Income Tax (SCIT). Hence, the tax payer with no tax liability can only appeal when an assessment is issued in the future.

**Proposal**

To enable a taxpayer with no tax liability to file an appeal, it is proposed that the scope of appeal to the SCIT be widened by allowing such tax payer to file the appeal by using the Notification of Non-Chargeability instead of the notice of assessment. The appeal is to be filed through the DGIR using Form Q.

The proposal is effective from 1 January 2009.

**TAX TREATMENT ON CLUBS**

**Present Position**

No specific provisions relating to tax treatment on clubs is provided under the Income Tax Act 1967. However, clubs are subject to tax based on general taxation principle as follows:

- i. members' fee or income from transactions with members is not subject to tax based on the principle of mutuality; and
- ii. income derived from transactions with non-members is subject to tax.

**Proposal**

To enhance transparency in tax treatment of clubs, it is proposed that specific provisions be introduced in the Income Tax Act 1967 as follows:

- i. income derived from transactions with members be not subject to tax while income derived from transactions with non members be subject to tax;
- ii. income from investment and external sources being non-mutual receipts be subject to tax; and
- iii. deduction be only allowed on expenses incurred in the production of chargeable income and limited only on the portion attributable to non members.

This tax treatment be also applicable to institutions similar to clubs.

The proposal is effective from year of assessment 2009.

**TAX TREATMENT ON PROFESSIONAL ASSOCIATIONS**

**Present Position**

Professional associations are deemed as trade associations for the purpose of tax computation and given the same income tax treatment as trade associations.

**Proposal**

To enhance transparency in tax treatment of professional associations, it is proposed that professional associations be incorporated in the definition of trade associations.

The proposal is effective from year of assessment 2009.

## TAX TREATMENT ON COSTS OF DISMANTLING AND REMOVING ASSETS AS WELL AS RESTORING THE SITE

### Present Position

Costs of dismantling and removing assets including plant and machinery as well as restoring the site where the asset was located do not qualify for allowance under Schedule 3, Income Tax Act 1967 since this expenditure is not deemed as cost of the asset.

However, the Financial Reporting Standards 116 (FRS 116) stipulates that the cost of an asset includes the estimated cost required to be incurred relating to the obligation to dismantle and remove the asset and to restore the site on which the asset was located.

### Proposal

To streamline tax treatment under the Income Tax Act 1967 and FRS 116, it is proposed that a special provision be introduced in Schedule 3, Income Tax Act 1967 to provide for balancing allowance on the cost of dismantling and removing plant and machinery as well as restoring the site where the asset was located subject to the following conditions:

- i. the eligibility for such tax treatment only applies where the obligation to carry out works on dismantling and removing the plant and machinery as well as restoring the site is provided for under any written law or agreement; and
- ii. such plant and machinery is not allowed to be used by that person in another business or used in the business of another person.

The total balancing allowance is determined by adding the cost of dismantling and removing the plant and machinery as well as restoring the site to the balance of expenditure on plant and machinery at the time of the disposal of the asset.

The proposal is effective from year of assessment 2009.

## STAMP DUTY ON LOAN AGREEMENTS AND SERVICE AGREEMENTS

### Present position

Loan agreement and service agreement instruments are subject to various rates of stamp duty as follows:

	Types of Agreement	Rate
1.	Loan/service with security	Ad valorem RM5 for every RM1,000 or part thereof
2.	Loan/service without security	
	i. Installment payments without condition	Ad valorem RM5 for every RM1,000 or part thereof
	ii. Installment payments with condition	Fixed at RM10
	iii. Lump sum payment	
	• Common Seal	Ad valorem RM5 for every RM1,000 or part thereof
	• Under Hand	Fixed at RM10
3.	Loans to small and medium enterprises	Ad valorem RM0.50 for every RM1,000 or part thereof
4.	Loans denominated in foreign currency	Ad valorem RM5 for every RM1,000 or part thereof but not exceeding RM500
5.	Education loans	Fixed at RM10

### Proposal

To simplify assessment, it is proposed that all loan agreement and service agreement instruments except for education loans, be subject to ad valorem stamp duty rates of RM5.00 for every RM1,000 or part thereof. For education loan agreements the rate is fixed at RM10.

The proposal is effective from 1 January 2009.

## THE APPLICATION OF ARM'S LENGTH PRINCIPLE ON BUSINESS TRANSACTIONS CARRIED OUT BETWEEN RELATED COMPANIES

### Present Position

Business transactions between related companies tend to be carried out at non-arm's length prices as a means to reduce income and thereby tax to be paid. This approach is known as transfer pricing. Transfer pricing usually occurs in respect of cross border transactions by multinational companies relating to the supply of goods and services as well as financing involving thin capitalisation.

There are no specific provisions under the Income Tax Act 1967 to address transfer pricing and thin capitalisation issues. Hence, such cases are dealt with by applying provisions under Section 140 Income Tax Act 1967 (ITA). This provision allows the Director General of Inland Revenue Board to disregard or vary transactions between related companies and make adjustments as he thinks fit. In addition, Transfer Pricing Guidelines have also been issued by the Inland Revenue Board to guide tax payers.

### Proposal

To enhance transparency of tax treatment relating to transfer pricing and thin capitalisation cases, it is proposed that specific provisions be established to empower the Director General of The Inland Revenue Board to make adjustments on transactions of goods, services or financial assistance carried out between related companies based on the arm's length principle.

The proposal is effective from year of 1 January 2009.

**TAX TREATMENT ON BONUS AND DIRECTORS' FEES**

**Present Position**

Income tax on bonus and directors' fees is based on the year such incomes are receivable. However, generally bonus and directors' fees are received in the following year. Hence, the tax payer will declare the bonus and directors' fees in the year such incomes are received. This involves a review of income tax for previous years of assessment.

**Proposal**

In line with Self Assessment System, it is proposed that bonus and directors' fees be taxed in the year such incomes are received.

The proposal is effective from year of assessment 2009.

## REVIEW OF EXCISE DUTY ON CIGARETTES

### Present Position

The excise duty for cigarettes is as follows:

Products	Excise Duty
Cigarettes, cheroots, cigars and cigarillos	RM150/kg and 20% or RM0.15 sen/stick and 20%

### Proposal

To promote a healthy life style, it is proposed that the specific excise duty rates on cigarettes be increased. Details of the proposal are as follows:

TARIFF CODE	DESCRIPTION	EXCISE DUTY	
		Current Rate	Proposed Rate
<b>24.02</b>	<b>Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes</b>		
2402 10 000	- Cigars, cheroots and cigarillos, containing tobacco	RM150/kg and 20%	RM180/kg and 20%
2402 20	- Cigarettes containing tobacco :		
900	Other	RM0.15/stick and 20%	RM0.18/stick and 20%
2402 90	- Other		
100	Cigars, cheroots and cigarillos, containing tobacco substitutes	RM150/kg and 20%	RM180/kg and 20%
200	Cigarettes containing tobacco substitutes	RM0.15/stick and 20%	RM0.18/stick and 20%

The proposal is effective from 4.00 p.m. 29 August 2008.

## IMPORT LIBERALISATION ON SELECTED PRODUCTS

### Present Position

In line with trade liberalization, import duty on most goods have been abolished, reduced or exempted. This is to reduce tariff in stages and to reduce the cost of doing business.

Consistent with the nation's commitment to abolish non-tariff barriers, the import prohibition on certain goods such as cranes and heavy machinery has been reviewed.

### Proposal

As a continuous measure to liberalize trade, reduce tariff in stages and mitigate the increase in prices of essential consumer goods especially food, it is proposed that:

- i. import duty between 2% and 25% on food products such as ground nuts, sardines and fruit juices be abolished;
- ii. import duty between 5% and 50% on electric goods/components such as voice recorders, generators and washing machine components be abolished;
- iii. import duty of 5% and 25% on fertilizers and pesticides be abolished;
- iv. import duty from between 10% and 30% on food products such as coffee paste, tomato sauce and monosodium glutamate be reduced to between 5% to 15%;
- v. import duty from between 15% and 30% on electrical goods such as blenders, rice cookers, microwave ovens and electric kettles be reduced to between 5% and 20%;
- vi. import duty from between 10% and 30% on petrochemical and polymer industrial goods such as rubber mats, tubes made of rubber and plastic bottles be reduced to between 5% and 20%;
- vii. import duty of 20% on port cranes be reduced to 5%;
- viii. import duty from between 25% and 60% on textiles such as carpets and glassware be reduced to between 20% and 30%; and

- ix. import duty from between 5% and 20% on food products such as vermicelli, biscuits, mixed fruit juice and sweet corns in air tight containers be fully exempted.

As a measure to remove non-tariff barriers, it is proposed that import license on port cranes such as gantry cranes, hydraulic loading cranes and crawler cranes and heavy machinery such as bulldozers and road rollers be abolished.

The detailed list of goods involved in the above proposals are as in Appendix A, B, C and D.

The proposal is effective from 4.00 p.m. on 29 August 2008.

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
<b>03.05</b>	<b>Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption</b>	
0305 20	- Livers and roes of fish, dried, smoked, salted or in brine:	
100	Of cod	8
210	Of salmon: smoked	8
0305 51 000	- Dried fish, whether or not salted but not smoked: - - Cod ( <i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i> )	7
<b>04.03</b>	<b>Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa</b>	
0403 10	- Yogurt:	
	Fresh:	
110	flavoured or containing added fruit or nuts (including jam)	10
120	containing cocoa	25
	Other:	
910	flavoured or containing added fruit or nuts (including jam)	10
920	containing cocoa	25
0403 90	- Other:	
	Fresh:	
110	flavoured or containing added fruit or nuts (including jam)	10
120	containing cocoa	10
	Other:	
910	flavoured or containing added fruit or nuts (including jam)	10
920	containing cocoa	10
<b>04.05</b>	<b>Butter and other fats and oils derived from milk; dairy spreads</b>	
0405 10 000	- Butter	2
0405 20 000	- Dairy spreads	2
0405 90	- Other:	
100	Ghee	2
	Anhydrous butterfat:	
290	other	2
900	Other	2
<b>04.06</b>	<b>Cheese and curd</b>	
0406 10	- Fresh (unripened or uncured) cheese, including whey cheese, and curd:	
100	Fresh (unripened or uncured) cheese, (including whey cheese)	5
0406 20 000	- Grated or powdered cheese, of all kinds	5
0406 30 000	- Processed cheese, not grated or powdered	10
0406 40 000	- Blue-veined cheese and other cheese containing veins produced by <i>Penicillium roqueforti</i>	5
0406 90 000	- Other cheese	5

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
<b>04.08</b>	<b>Birds' eggs, not in shell and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter</b>	
	- Egg yolks:	
0408 11 000	- - Dried	2
0408 19 000	- - Other	5
	- Other:	
0408 91 000	- - Dried	2
0408 99 000	- - Other	2
<b>04.09 00 000</b>	<b>Natural honey</b>	2
<b>04.10 00</b>	<b>Edible products of animal origin, not elsewhere specified or included</b>	
	200 Birds' nests	2
<b>07.14</b>	<b>Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith</b>	
0714 10	- Manioc (cassava):	
	100 Dried chips	2
	200 In the form of pellets	5
	900 Other	5
0714 20 000	- Sweet potatoes	2
0714 90	- Other:	
	900 Other	2
<b>08.06</b>	<b>Grapes, fresh or dried</b>	
0806 20 000	- Dried	5
<b>09.02</b>	<b>Tea, whether or not flavoured</b>	
0902 10 000	- Green tea (not fermented) in immediate packings of a content not exceeding 3 kg	5
0902 20 000	- Other green tea (not fermented)	5
<b>12.12</b>	<b>Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety <i>Cichorium intybus sativum</i>) of a kind used primarily for human consumption, not elsewhere specified or included</b>	
	- Other:	
1212 91 000	- - Sugar beet	5
<b>16.04</b>	<b>Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs</b>	
	- Fish, whole or in pieces, but not minced:	
1604 11 000	- - Salmon	5
1604 12 000	- - Herrings	5

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
1604 13	- - Sardines, sardinella and brisling or sprats:	
	Sardines:	
190	other	8
990	Other:	
	other	15
1604 14	- - Tunas, skipjack and bonito ( <i>Sarda spp.</i> ):	
	Tunas:	
110	in airtight containers	5
190	other	20
	Other:	
910	in airtight containers	20
990	other	20
1604 15	- - Mackerel:	
900	Other	8
1604 16	- - Anchovies:	
900	Other	15
1604 19	- - Other:	
	Horse mackerels	
110	in airtight containers	6
	Other:	
990	other	20
1604 20	- Other prepared or preserved fish:	
	Other:	
920	fish paste and similar preparations	6
930	fish, boiled or steamed	20
990	other	8
<b>16.05</b>	<b>Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved</b>	
1605 10	- Crab:	
100	In airtight containers	6
1605 20	- Shrimps and prawns:	
100	In airtight containers	8
1605 30	- Lobster:	
100	In airtight containers	6
1605 40	- Other crustaceans:	
100	In airtight containers	6
1605 90	- Other:	
	Abalone:	
110	in airtight containers	6
	Cuttle fish:	
210	in airtight containers	8
	Other molluscs:	
810	in airtight containers	6
<b>19.02</b>	<b>Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared</b>	
1902 40	- Couscous:	
100	Cooked	8
900	Other	8

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
<b>19.05</b>	<b>Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products</b>	
1905 20 000	- Gingerbread and the like	6
1905 90	- Other:	
900	Other	6
<b>20.01</b>	<b>Vegetable, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid</b>	
2001 10 000	- Cucumbers and gherkins	6
2001 90	- Other:	
110	Vegetable, fruit or nuts: sweet corn	8
120	onions	6
190	other	6
200	Products based on manioc, sweet potatoes and similar roots and tubers with high starch content, potato or dried leguminous vegetable flours	7
900	Other	8
<b>20.02</b>	<b>Tomatoes prepared or preserved otherwise than by vinegar or acetic acid</b>	
2002 10	- Tomatoes, whole or in pieces:	
910	Other: in airtight containers	8
990	other	5
2002 90	- Other:	
919	Other: in airtight containers: other	8
999	other: other	2
<b>20.03</b>	<b>Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid</b>	
2003 10	- Mushrooms of the genus <i>Agaricus</i> :	
910	Other: in airtight containers	6
990	other	5
2003 20	- Truffles:	
910	Other: in airtight containers	20
990	other	2
2003 90	- Other:	
910	Other: in airtight containers	6
990	other	5
<b>20.04</b>	<b>Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 20. 06</b>	
2004 10	- Potatoes:	
300	Products based on potato flour	7

## ELIMINATION OF IMPORT DUTY

Tariff Code		Description	Current Rate (%)
		Other:	
	910	in airtight containers	8
	990	other	2
2004	90	- Other vegetables and mixtures of vegetables:	
	300	Sweet corn, on the cob or in grains	8
	400	Preparations of leguminous vegetables or manioc, sweet potatoes or similar roots and tubers with high starch content flours	20
		Other:	
	910	in airtight containers	8
	990	other	2
<b>20.05</b>		<b>Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06</b>	
2005	40	- Peas ( <i>pisum sativum</i> ):	
		Other:	
	910	in airtight containers	20
		- Beans ( <i>Vigna spp.</i> , <i>Phaseolus spp.</i> ):	
2005	51	- - Beans, shelled:	
		Other:	
	910	in airtight containers	8
2005	60	- Asparagus:	
		Other:	
	910	in airtight containers	8
2005	70	- Olives:	
		Other:	
	910	in airtight containers	6
		- Other vegetables and mixtures of vegetables:	
2005	91	- - Bamboo shoots:	
	100	In airtight containers	8
<b>20.08</b>		<b>Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included</b>	
		- Nuts, ground-nuts and other seeds, whether or not mixed together:	
2008	11 000	- - Ground-nuts	5
2008	19	- - Other, including mixtures:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	20
	200	Roasted	6
	900	Other	6
2008	30	- Citrus fruit:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	10
		Other:	
		containing added sugar or sweetening matter or spirit:	
	911	in airtight containers	6
		other:	
	991	in airtight containers	8
2008	40	- Pears:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	10
		Other:	
		containing added sugar or sweetening matter or spirit:	
	911	in airtight containers	6
		other:	
	991	in airtight containers	8

## ELIMINATION OF IMPORT DUTY

Tariff Code		Description	Current Rate (%)
2008	50	- Apricots:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	10
		Other:	
	911	containing added sugar or sweetening matter or spirit: in airtight containers	6
		other:	
	991	in airtight containers	6
2008	60	- Cherries:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	10
		Other:	
	911	containing added sugar or sweetening matter or spirit: in airtight containers	6
		other:	
	991	in airtight containers	8
2008	70	- Peaches, including nectarines:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	10
		Other:	
	911	containing added sugar or sweetening matter or spirit: in airtight containers	6
		other:	
	991	in airtight containers	8
2008	80	- Strawberries:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	10
		Other:	
	911	containing added sugar or sweetening matter or spirit: in airtight containers	6
		other:	
	991	in airtight containers	8
2008	92	- - Mixtures:	
	100	Cooked otherwise than by steaming or boiling in water, frozen	10
	200	Of stems, roots and other edible parts of plants	8
		Other:	
	911	containing added sugar or sweetening matter or spirit: in airtight containers	10
		other:	
	991	in airtight containers	20
2008	99	- - Other:	
	100	Cooked otherwise than by steaming or boiling water, frozen	10
	200	Stems, roots and other edible parts of plants	20
		Other:	
	911	containing added sugar or sweetening matter or spirit: in airtight containers	20
		other:	
	991	in airtight containers	20
<b>20.09</b>		<b>Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter</b>	
2009	11	- Orange juice:	
		- - Frozen:	
		Other:	
	910	ready for immediate consumption	6
	990	other	5
2009	12	- - Not frozen, of a Brix value not exceeding 20:	

## ELIMINATION OF IMPORT DUTY

Tariff Code		Description	Current Rate (%)
2009	19	Other:	
		910 ready for immediate consumption	6
		990 other	5
		- - Other:	
		Other:	
		910 ready for immediate consumption	6
		990 other	5
2009	21	- Grapefruit (including pomelo) juice:	
		- - Of a Brix value not exceeding 20:	
		Other:	
		910 ready for immediate consumption	6
		990 other	5
2009	29	- - Other:	
		Other:	
		910 ready for immediate consumption	6
		990 other	5
2009	31	- Juice of any other single citrus fruit:	
		- - Of a Brix value not exceeding 20:	
		Other:	
		910 ready for immediate consumption	6
		990 other	5
2009	39	- - Other:	
		Other:	
		910 ready for immediate consumption	6
		990 other	5
2009	50	000 - Tomato juice	6
2009	61	- Grape juice (including grape must):	
		- - Of a Brix value not exceeding 30:	
		Other:	
		910 ready for immediate consumption	8
		990 other	5
2009	69	- - Other:	
		Other:	
		910 ready for immediate consumption	8
		990 other	5
2009	71	- Apple juice:	
		- - Of a Brix value not exceeding 20:	
		Other:	
		910 ready for immediate consumption	8
		990 other	5
2009	79	- - Other:	
		Other:	
		910 ready for immediate consumption	8
		990 other	5
<b>21.01</b>		<b>Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof</b>	
2101	20	- Extracts, essences and concentrates, of tea or maté, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or maté:	
		900 Other	5
2101	30	000 - Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	5
<b>29.33</b>		<b>Heterocyclic compounds with nitrogen hetero-atom(s) only</b>	

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
2933 39 100	- Compounds containing an unfused pyridine ring (whether or not hydrogenated) in the structure: - - Other: Paraquat salts	5
<b>31.05</b>	<b>Mineral or chemical fertilisers containing two or three of the fertilizing elements nitrogen, phosphorus and potassium; other fertilisers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg</b>	
3105 20 000	- Mineral or chemical fertilisers containing the three fertilising elements nitrogen, phosphorus and potassium	5
<b>38.08</b>	<b>Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur-treated bands, wicks and candles, and fly-papers)</b>	
3808 50	- Goods specified in Subheading Note 1 to this Chapter: Insecticides: Herbicides, anti-sprouting products and plant-growth regulators:	
310	herbicides	5
320	anti-sprouting products	10
410	Disinfectants: in packs not less than 2.5 kg	5
490	in packs less than 2.5 kg	25
3808 93	- - Herbicides, anti-sprouting products and plant-growth regulators:	
100	Herbicides	5
200	Anti-sprouting products	10
3808 94	- - Disinfectants:	
100	In packs not less than 2.5 kg	5
900	In packs less than 2.5 kg	25
<b>84.50</b>	<b>Household or laundry type washing machines, including machines which both wash and dry</b>	
8450 90	- Parts: For subheading 8450.11 100, 8450.12 100 or 8450.19 100:	
110	pressed metal parts	25
120	tubs/drums	25
900	Other	5
<b>84.67</b>	<b>Tools for working in the hand, pneumatic or with self-contained electric or non-electric motor</b>	
	- With self-contained electric motor:	
8467 21 000	- - Drills of all kinds	10
8467 22 000	- - Saws	10
8467 29 000	- - Other	10
	- Parts:	
8467 99	- - Other:	
100	Of subheadings 8467.21 000, 8467.22 000 and 8467.29 000	5
<b>84.68</b>	<b>Machinery and apparatus for soldering, brazing or welding, whether or not capable of cutting, other than those of heading 85.15; gas-operated</b>	

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
	<b>surface tempering machines and appliances</b>	
8468 90 000	- Parts	5
<b>84.76</b>	<b>Automatic goods-vending machines (for example, postage stamp, cigarette, food or beverage machines), including money-changing machines</b>	
8476 90 000	- Parts	5
<b>84.79</b>	<b>Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter</b>	
8479 89	- - Other:	
100	Automatic service-vending machines	5
<b>85.01</b>	<b>Electric motors and generators (excluding generating sets)</b>	
	- Other AC motors, multi-phase:	
8501 51 000	- - Of an output not exceeding 750 W	15
8501 62	- - Of an output exceeding 75 kVA but not exceeding 375 kVA:	
100	Of an output exceeding 75 kVA but not exceeding 150 kVA	20
<b>85.03 00</b>	<b>Parts suitable for use solely or principally with the machines of heading 85.01 or 85.02</b>	
	For motors:	
8503 00	not more than 1.5 kW:	
111	stators for ceiling fans	5
120	more than 1.5 kW but not more than 75 kW	17
<b>85.04</b>	<b>Electrical transformers, static converters (for example, rectifiers) and inductors</b>	
	- Other transformers:	
8504 31	- - Having a power handling capacity not exceeding 1 kVA:	
	Other:	
990	other	5
8504 32	- - Having a power handling capacity exceeding 1 kVA but not exceeding 16 kVA:	
100	For toys	5
<b>85.06</b>	<b>Primary cells and primary batteries</b>	
8506 30 000	- Mercuric oxide	5
8506 40 000	- Silver oxide	5
8506 50 000	- Lithium	5
8506 60 000	- Air-zinc	5
8506 80 000	- Other primary cells and primary batteries	5
<b>85.07</b>	<b>Electric accumulators, including separators therefor, whether or not rectangular (including square)</b>	
8507 90	- Parts:	
100	Separators	20
200	Containers of plastics	20
900	Other	20
<b>85.08</b>	<b>Vacuum cleaners</b>	

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
8508 70 100	- Parts: Of subheadings 8508.11 and 8508.19	30
<b>85.09</b>	<b>Electro-mechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners of heading 85.08</b>	
8509 90 000	- Parts	30
<b>85.10</b>	<b>Shavers, hair clippers and hair-removing appliances, with self-contained electric motor</b>	
8510 20 000	- Hair clippers	5
<b>85.11</b>	<b>Electrical ignition or starting equipment of a kind used for spark-ignition of compression-ignition internal combustion engines (for example, ignition magnetos, magneto-dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dynamos, alternators) and cut-outs of a kind used in conjunction with such engines</b>	
8511 30 000	- Distributors; ignition coils	5
8511 40 000	- Starter motors and dual purpose starter-generators	5
8511 50 000	- Other generators	5
8511 80	- Other equipment:	
	100 Glow plugs	20
	900 Other	5
8511 90 000	- Parts	5
<b>85.13</b>	<b>Portable electric lamps designed to function by their own source of energy (for example, dry batteries, accumulators, magnetos), other than lighting equipment of heading 85.12</b>	
8513 10 000	- Lamps	20
8513 90 000	- Parts	20
<b>85.16</b>	<b>Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 85.45</b>	
8516 10 200	- Electric instantaneous or storage water heaters and immersion heaters: Immersion heaters	5
	- Electric-thermic hair-dressing or hand-drying apparatus:	
8516 31 000	- - Hair Dryers	25
8516 32 000	- - Other hair-dressing apparatus	20
8516 80 000	- Electric heating resistors	5
8516 90	- Parts:	
	100 For subheadings 8516.10 100 and 8516.10 200	5
	900 Other	10
<b>85.23</b>	<b>Discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether</b>	



## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
	<b>other connectors, junction boxes), for a voltage not exceeding 1,000 volts; connectors for optical fibres, optical fibre bundles or cables</b>	
8536 10	- Fuses:	
100	Cartridge	15
	Other:	
920	for use in radio equipment	5
990	other	15
8536 20	- Automatic circuit breakers:	
100	Earth leakage circuit breaker	15
	Other:	
920	for use in radio equipment	5
930	for use in electric fans	15
990	other	15
8536 30	- Other apparatus for protecting electrical circuits:	
200	For use in radio equipment	5
300	For use in electric fans	15
	- Relays:	
8536 41	- - For a voltage not exceeding 60 V:	
900	Other	15
8536 49	- - Other:	
200	For use in radio equipment	5
300	For use in electric fans	15
900	Other	15
8536 50	- Other switches:	
	Other:	
920	for use in radio equipment	5
930	for use in electric fans	15
	- Lamp-holders, plugs and sockets:	
8536 61	- - Lamp-holders:	
900	Other	15
8536 69	- - Other:	
200	For use in radio equipment	5
300	For use in electric fans	15
8536 70	- Connectors for optical fibres, optical fibre bundles or cables :	
100	Of plastics	30
200	Of ceramic	5
8536 90	- Other apparatus:	
200	For use in radio equipment	5
300	For use in electric fans	15
<b>85.37</b>	<b>Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 85.35 or 85.36, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 85.17</b>	
8537 10	- For a voltage not exceeding 1,000 V:	
200	For use in radio equipment	5
300	For use in electric fans	15
<b>85.38</b>	<b>Parts suitable for use solely or principally with the apparatus of heading 85.35, 85.36 or 85.37</b>	
8538 10	- Boards, panels, consoles, desks, cabinets and other bases for the goods of	

## ELIMINATION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
	heading 85.37, not equipped with their apparatus:	
	100 For use in radio equipment	5
	900 Other	15
8538 90	- Other:	
	For starters for electric motors:	
	110 not exceeding 1.5 kW	5
	190 other	5
	200 For cartridge fuses	5
	300 For domestic use, for a current of less than 16 amps	5
	400 For use in radio equipment	5
	500 For use in electric fans	15
	600 For earth leakage circuit breaker	5
	900 Other	5
<b>85.45</b>	<b>Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes</b>	
8545 20 000	- Brushes	30
<b>85.47</b>	<b>Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating material apart from any minor components of metal (for example, threaded sockets) incorporated during moulding solely for purposes of assembly, other than insulators of heading 85.46; electrical conduit tubing and joints therefor, of base metal lined with insulating material</b>	
8547 90	- Other:	
	100 Electrical conduit tubing and joints therefor, of base metal lined with insulating material	20

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
<b>03.07</b>	<b>Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption</b>		
	- Octopus ( <i>Octopus spp.</i> ):		
0307 51 000	- - Live, fresh or chilled	20	10
0307 59 200	- - Other: Dried, salted or in brine	20	10
<b>07.08</b>	<b>Leguminous vegetables, shelled or unshelled, fresh or chilled</b>		
0708 20 900	- Beans ( <i>Vigna spp.</i> , <i>Phaseolus spp.</i> ): Other	10	5
<b>08.09</b>	<b>Apricots, cherries, peaches (including nectarines), plums and sloes, fresh</b>		
0809 40 200	- Plums and sloes: Sloes	10	5
<b>09.02</b>	<b>Tea, whether or not flavoured</b>		
0902 30 000	- Black tea (fermented) and partly fermented tea, in immediate packings of a content not exceeding 3 kg	11	5
0902 40 000	- Other black tea (fermented) and other partly fermented tea	11	5
<b>17.02</b>	<b>Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel</b>		
1702 30 200	- Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20 % by weight of fructose: Glucose syrup	15	10
1702 60 200	- Other fructose and fructose syrup, containing in the dry state more than 50 % by weight of fructose, excluding invert sugar: Fructose syrup	15	10
<b>18.03</b>	<b>Cocoa paste, whether or not defatted</b>		
1803 10 000	- Not defatted	25	10
1803 20 000	- Wholly or partly defatted	19	10
<b>18.06</b>	<b>Chocolate and other food preparations containing cocoa</b>		
1806 10 000	- Cocoa powder, containing added sugar or other sweetening matter	19	10
<b>21.01</b>	<b>Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof</b>		
	- Extracts, essences and concentrates, of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee:		
2101 12 100	- - Preparation with a basis of extracts, essences or concentrates or with a basis of coffee: "Coffee pastes" consisting of mixtures of ground roasted coffee with vegetable fats and sometimes other ingredients	20	10

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
2101 20	- Extracts, essences and concentrates, of tea or maté, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or maté:		
100	Tea preparations consisting of a mixture of tea, milk powder and sugar	20	10
<b>21.03</b>	<b>Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard</b>		
2103 20 000	- Tomato ketchup and other tomato sauces	15	10
2103 90	- Other:		
100	Sauces other than those of heading 2103.10 000 and 2103.20 000	15	10
<b>25.22</b>	<b>Quicklime, slake lime and hydraulic lime, other than calcium oxide and hydroxide of heading 28.25</b>		
2522 10 000	- Quicklime	25	10
2522 20 000	- Slaked lime	25	10
2522 30 000	- Hydraulic lime	25	10
<b>29.22</b>	<b>Oxygen-function amino-compounds</b>		
	- Amino-acids, other than those containing more than one kind of oxygen function; and their esters; salts thereof:		
2922 42	- - Glutamic acid and its salts:		
100	Glutamic acid	30	15
200	Monosodium glutamate	30	15
<b>39.01</b>	<b>Polymers of ethylene, in primary forms</b>		
3901 10 000	- Polyethylene having a specific gravity of less than 0.94	25	20
3901 20 000	- Polyethylene having a specific gravity of 0.94 or more	25	20
<b>39.02</b>	<b>Polymers of propylene or of other olefins, in primary forms</b>		
3902 10	- Polypropylene:		
300	Resins	25	20
3902 30 000	- Propylene copolymers	25	20
<b>39.03</b>	<b>Polymers of styrene, in primary forms</b>		
	- Polystyrene:		
3903 19	- - Other:		
	Other:		
910	general purpose	15	10
920	high impact polystyrene	15	10
<b>39.04</b>	<b>Polymers of vinyl chloride or of other halogenated olefins, in primary forms</b>		
3904 10 000	- Poly (vinyl chloride), not mixed with any other substances	15	10
	- Other poly (vinyl chloride)		
3904 21 000	- - Non-plasticised	15	10
3904 22	- - Plasticised:		
900	Other	15	10

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
<b>39.07</b>	<b>Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms</b>		
3907 70 000	- Poly (lactic acid)	10	5
<b>39.16</b>	<b>Monofilament of which any cross-sectional dimension exceeds 1 mm, rods, sticks and profile shapes, whether or not surface-worked but not otherwise worked, of plastics</b>		
3916 10 000	- Of polymers of ethylene	25	20
3916 90	- Of other plastics:		
100	Of other addition polymerisation products	25	20
290	Of condensation or rearrangement polymerization products: other	25	20
<b>39.17</b>	<b>Tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges), of plastics</b>		
	- Tubes, pipes and hoses, rigid:		
3917 21 000	- - Of polymers of ethylene	25	20
3917 22 000	- - Of polymers of propylene	25	20
3917 39	- - Other:		
300	Of cellulose nitrate, cellulose acetates and other chemical derivatives of cellulose, plasticised	25	20
<b>39.18</b>	<b>Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter</b>		
3918 10	- Of polymers of vinyl chloride:		
100	Floor covering other than in the form of tiles	30	20
900	Other	30	20
3918 90	- Of other plastics:		
100	Of copolymers of vinyl chloride and vinyl acetate	30	20
200	Of other addition polymerisation products	30	20
300	Of condensation or rearrangement polymerisation products	30	20
400	Of cellulose nitrate, cellulose acetate or other chemical derivatives of cellulose, plasticised	30	20
<b>39.19</b>	<b>Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls</b>		
3919 10	- In rolls of a width not exceeding 20 cm:		
	Other:		
911	of addition polymerisation products: of polypropylene	30	20
930	of cellulose nitrate, cellulose acetate or other chemical derivatives of cellulose, plasticised	30	20
3919 90	- Other:		
	Self-adhesive tape:		
190	other	30	20
	Other:		
911	of addition polymerisation products: of polypropylene	30	20

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
<b>39.20</b>	<b>Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials</b>		
3920 10	- Of polymers of ethylene: Plates and sheets:		
120	tiles	30	20
190	other	25	20
900	Other	25	20
3920 20	- Of polymers of propylene: Plates and sheets	30	20
200	Biaxially oriented polypropylene (BOPP) / Oriented polypropylene (OPP) film	30	20
900	Other	25	20
3920 30	- Of polymers of styrene: Plates and sheets:		
120	tiles	30	20
900	Other	25	20
3920 43	- Of polymers of vinyl chloride: - - Containing by weight not less than 6% of plasticisers: Plates and sheets:		
110	tiles	30	20
190	other	25	20
900	Other	25	20
3920 49 000	- - Other	30	20
3920 51	- Of acrylic polymers: - - Of poly (methyl methacrylate): Plates and sheets:		
120	tiles	30	20
3920 59	- - Other: Plates and sheets:		
120	tiles	30	20
3920 61	- Of polycarbonates, alkyd resins, polyallyl esters or other polyester: - - Of polycarbonates: Plates and sheets:		
210	tiles	30	20
3920 62	- - Of poly (ethylene terephthalate): Plates and sheets:		
210	tiles	30	20
290	other	25	20
3920 63	- - Of unsaturated polyesters: Plates and sheets:		
210	tiles	30	20
290	other	25	20
3920 69	- - Of other polyesters: Plates and sheets:		
210	tiles	30	20
290	other	25	20
900	Other	25	20
3920 71	- Of cellulose or its chemical derivatives: - - Of regenerated cellulose: Sheets:		
110	printed	30	20
3920 73 000	- - Of cellulose acetate	25	20

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
3920 79	- - Of other cellulose derivatives:		
	Plates and sheets:		
210	non rigid products	30	20
290	other	25	20
	Other :		
990	other	25	20
3920 91	- - Of other plastics:		
	- - Of poly (vinyl butyral):		
	Plates and sheets:		
120	tiles	30	20
3920 92	- - Of polyamides:		
	Plates and sheets:		
110	tiles	30	20
3920 93	- - Of amino-resins:		
	Plates and sheets:		
110	tiles	30	20
3920 94	- - Of phenolic resins:		
	Plates and sheets:		
110	tiles	30	20
<b>39.21</b>	<b>Other plates, sheets, film, foil and strip of plastics</b>		
	- Cellular:		
3921 11	- - Of polymers of styrene:		
	Plates and sheets	30	20
	Film	30	20
	Other:		
990	other	30	20
3921 12 000	- - Of polymers of vinyl chloride	30	20
3921 13	- - Of polyurethanes:		
	Plates and sheets	30	20
3921 14	- - Of regenerated cellulose:		
	Film	30	20
	Other:		
	non rigid blocks	30	20
	other	30	20
3921 19	- - Of other plastics:		
	Of other addition polymerisation products:		
	of polypropylene:		
	plates and sheets	30	20
	film	30	20
	other:		
	non rigid blocks	30	20
	other	30	20
	other:		
	plates and sheets	30	20
	film	30	20
	other:		
	non rigid blocks	30	20
	Of other condensation or rearrangement polymerisation products:		
	other	30	20
	Of other cellulose or its chemical derivatives:		
	plates and sheets:		
	other	30	20
	film	30	20

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
390	other	30	20
3921 90	- Other:		
100	Of other addition polymerisation products	30	20
	Of other condensation or rearrangement polymerisation products:		
210	plates and sheets	30	20
300	Of regenerated cellulose	30	20
400	Of other cellulose or its chemical derivatives	30	20
<b>39.22</b>	<b>Baths, shower-baths, sinks, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics</b>		
3922 90	- Other:		
	Flushing cisterns:		
190	other	25	20
<b>39.23</b>	<b>Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics</b>		
3923 10 000	- Boxes, cases, crates and similar articles	30	20
	- Sacks and bags (including cones):		
3923 21 000	- - Of polymers of ethylene	30	20
3923 29 000	- - Of other plastics	30	20
3923 30 000	- Carboys, bottles, flasks and similar articles	30	20
3923 40	- Spools, cops, bobbins and similar supports:		
	Other	30	20
3923 50 000	- Stoppers, lids, caps and other closures	30	20
3923 90 000	- Other	30	20
<b>39.25</b>	<b>Builders' ware or plastics, not elsewhere specified or included</b>		
3925 10 000	- Reservoirs, tanks, vats and similar containers, of a capacity exceeding 300 litre	30	20
3925 20 000	- Doors, windows and their frames and thresholds for doors	30	20
3925 30 000	- Shutters, blinds (including Venetian blinds) and similar articles and parts thereof	25	20
3925 90 000	- Other	30	20
<b>39.26</b>	<b>Other articles of plastics and articles of other materials of heading 39.01 to 39.14</b>		
3926 40	- Statuettes and other ornamental articles:		
	Other	30	20
3926 90	- Other:		
	Other:		
990	other	30	20
<b>40.14</b>	<b>Hygienic or pharmaceutical articles (including teats), of vulcanized rubber other than hard rubber, with or without fittings of hard rubber</b>		
4014 90	- Other:		
100	Teats and soothers	22.5	15

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
<b>42.02</b>	<b>Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping-bags, wallets, purses, map-cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle-cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastic, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials, or with paper</b>		
	- Handbags, whether or not with shoulder strap, including those without handle:		
4202 29 000	- - Other	25	20
	- Articles of a kind normally carried in the pocket or handbag:		
4202 32 000	- - With outer surface of plastic sheeting or of textile materials	25	20
	- Other:		
4202 92 900	- - With outer surface of plastic sheeting or of textile materials: Other	25	20
<b>44.21</b>	<b>Other articles of wood</b>		
	- Other:		
4421 90 200	Candy-sticks, ice-cream sticks and ice-cream spoons	20	10
<b>56.01</b>	<b>Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps</b>		
	- Sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles, of wadding:		
5601 10 100	Sanitary towels	30	20
<b>56.02</b>	<b>Felt, whether or not impregnated, coated, covered or laminated</b>		
	- Other:		
5602 90 100	In the piece	25	20
	Other	25	20
<b>57.01</b>	<b>Carpets and other textile floor coverings, knotted, whether or not made up</b>		
	- Of wool or fine animal hair:		
5701 10 900	Other	25	20
	- Of other textile materials:		
5701 90 990	Other: other	25	20
<b>57.02</b>	<b>Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similiar hand-woven rugs</b>		
	- "Kelem", "Schumacks", "Karamanie" and similiar hand- woven rugs	25	20
	- Other, of pile construction, not made up:		
5702 31 000	- - Of wool or fine animal hair	25	20
5702 32 000	- - Of man-made textile materials	25	20
5702 39 900	- - Of other textile materials: Other	25	20

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
5702 41	- Other, of pile construction, made up:		
900	- - Of wool or fine animal hair:		
	Other	25	20
5702 42	- - Of man-made textile materials:		
900	Other	25	20
5702 49	- - Of other textile materials:		
	Other:		
990	other	25	20
5702 50	- Other, not of pile construction, made up:		
900	Other	25	20
5702 91	- Other, not of pile construction, made up:		
	- - Of wool or fine animal hair:		
900	Other	25	20
5702 92	- - Of man-made textile materials:		
900	Other	25	20
5702 99	- - Of other textile materials:		
	Other:		
990	other	25	20
<b>57.03</b>	<b>Carpets and other textile floor coverings, tufted, whether or not made up</b>		
5703 10	- Of wool or fine animal hair:		
900	Other	25	20
5703 20	- Of nylon or other polyamides:		
900	Other	25	20
5703 30	- Of other man-made textile materials:		
900	Other	25	20
5703 90	- Of other textile materials:		
	Other:		
990	other	25	20
<b>5705 00</b>	<b>Other carpets and other textile floor coverings, whether or not made up</b>		
900	Other	25	20
<b>58.07</b>	<b>Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered</b>		
5807 90 000	- Other	25	20
<b>59.03</b>	<b>Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02</b>		
5903 10 000	- With poly(vinyl chloride)	30	20
5903 20 000	- With polyurethane	30	20
5903 90 000	- Other	30	20
<b>63.01</b>	<b>Blankets and traveling rugs</b>		
6301 40 000	- Blankets (other than electric blankets) and traveling rugs, of synthetic fibres	30	20
6301 90 000	- Other blankets and traveling rugs	30	20

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
<b>67.02</b>	<b>Artificial flowers, foliage and fruit and parts thereof; articles made of artificial flowers, foliage or fruit</b>		
6702 10 000	- Of plastics	25	20
6702 90 200	- Of other materials: Of textile materials	25	10
<b>67.04</b>	<b>Wigs, false beards, eyebrows and eyelashes, switches and the like, of human or animal hair or of textile materials; articles of human hair not elsewhere specified or included</b>		
	- Of synthetic textile materials:		
6704 11 000	- - Complete wigs	25	10
6704 19 000	- - Other	25	10
6704 20 000	- Of human hair	25	10
6704 90 000	- Of other materials	25	10
<b>70.03</b>	<b>Cast glass and rolled glass, in sheets or profiles, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked</b>		
	- Non-wired sheets:		
7003 12	- - Coloured throughout the mass (body tinted), opacified, flashed or having an absorbent, reflecting or non-reflecting layer: Other:		
910	in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
7003 19	- - Other: Other:		
910	in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
7003 20	- Wired sheets:		
100	in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
7003 30	- Profiles:		
100	in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
<b>70.04</b>	<b>Drawn glass and blown glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked</b>		
7004 20	- Glass, coloured throughout the mass (body tinted), opacified, flashed or having an absorbent or reflecting layer: Other:		
910	in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
7004 90	- Other glass: Other:		
910	in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
<b>70.05</b>	<b>Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked</b>		
7005 10	- Non-wired glass, having an absorbent, reflecting or non-reflecting layer: Other: in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
7005 21	- Other non-wired glass: - - Coloured throughout the mass (body tinted), opacified, flashed or merely surface ground: Other: in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
7005 29	- - Other: Other: in square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
7005 30	- Wired glass: 100 In square or rectangular shape (including those with 1 or 2 or 3 or 4 corners cut)	60	30
<b>70.08 00 000</b>	<b>Multiple-walled insulating units of glass</b>	50	30
<b>70.10</b>	<b>Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass</b>		
7010 90	- Other: Preserving jars of glass: 120 exceeding 0.33 litre but not exceeding 1 litre 130 exceeding 0.15 litre but not exceeding 0.33 litre	60 60	30 30
<b>84.26</b>	<b>Ships' derricks; cranes, including cable cranes; mobile lifting frame, straddle carriers and works trucks fitted with a crane</b>		
8426 19	- Overhead traveling cranes, transporter cranes, gantry cranes, bridge cranes, mobile lifting frame and straddle carrier: - -Other: 200 Gantry cranes	20	5
<b>84.80</b>	<b>Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal (other than ingot moulds), metal carbides, glass, mineral materials, rubber or plastics</b>		
8480 30	- Moulding patterns: 100 Of plastics 200 Of wood 300 Of aluminium	25 20 20	5 5 5
<b>85.07</b>	<b>Electric accumulators, including separators therefor, whether or not rectangular (including square)</b>		
8507 10	- Lead-acid, of a kind used for starting piston engines: Other: 6 volts and 12 volts accumulators: 912 of a height (excluding terminals and handles) over 13 cm but not more than 23 cm	25	20
8507 20	- Other lead-acid accumulators:		

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
911	Other: 6 volts and 12 volts accumulators: of a height (excluding terminals and handles) not more than 13cm	25	20
<b>85.08</b>	<b>Vacuum cleaners</b>		
8508 11 000	- With self-contained electric motor: - - Of power not exceeding 1,500 W and having a dust bag or other receptacle capacity not exceeding 20 litre	30	20
8508 19 000	- - Other	30	20
<b>85.09</b>	<b>Electro-mechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners of heading 85.08</b>		
8509 40 000	- Food grinders and mixers; fruit or vegetable juice extractors	30	20
8509 80	- Other appliances:		
100	Floor polishers	25	20
900	Other	30	20
<b>85.11</b>	<b>Electrical ignition or starting equipment of a kind used for spark-ignition of compression-ignition internal combustion engines (for example, ignition magnetos, magneto-dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dynamos, alternators) and cut-outs of a kind used in conjunction with such engines</b>		
8511 10 000	- Sparking plugs	20	10
<b>85.16</b>	<b>Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 85.45</b>		
8516 10	- Electric instantaneous or storage water heaters and immersion heaters:		
100	Instantaneous or storage water heaters	30	20
8516 40 000	- Electric smoothing irons	25	20
8516 50 000	- Microwave ovens	30	20
8516 60	- Other ovens; cookers, cooking plates, boiling rings, grillers and roasters:		
100	Rice Cookers	30	20
200	Ovens	30	20
900	Other	30	20
8516 79	- Other electro-thermic appliances: - - Other:		
100	Electric kettles	30	20
900	Other	25	20
<b>85.39</b>	<b>Electric filament or discharge lamps, including sealed beam</b>		

## REDUCTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)	Proposed Rate (%)
	<b>lamp units and ultra-violet or infra-red lamps; arc-lamps</b>		
8539 22	- Other filaments lamps, excluding ultra-violet or infra-red lamps: - - Other, of a power not exceeding 200 W and for a voltage of exceeding 100 V: For use in decorative illumination:		
110	not over 60 watts	30	15
190	other	30	15
200	For use in domestic lighting	30	15
8539 31 000	- Discharge lamps, other than ultra-violet lamps: - - Fluorescent, hot cathode	30	15
8539 41 000	- Ultra-violet or infra-red lamps; arc-lamps: - - Arc-lamps	15	5
<b>96.07</b>	<b>Slide fasteners and parts thereof</b>		
	- Slide fasteners:		
9607 11 000	- - Fitted with chain scoops of base metal	12	5
9607 19 000	- - Other	12	5
9607 20	- Parts:		
100	Slide fastener chain, complete	12	5
200	Slide fastener chain, single	12	5
900	Other	12	5
<b>96.15</b>	<b>Combs, hair-slides and the like; hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading 85.16, and parts thereof</b>		
	- Combs, hair-slides and the like:		
9615 11	- - Of hard rubber or plastics:		
100	Of plastics	25	20
9615 90	- Other:		
100	Of plastics	25	20
<b>97.01</b>	<b>Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading 49.06 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques</b>		
9701 90	- Other:		
200	Of textile material	30	5

## EXEMPTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
<b>03.05</b>	<b>Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption</b>	
0305 20	- Livers and roes of fish, dried, smoked, salted or in brine: Of salmon:	
220	dried, salted or in brine	7
0305 42 000	- Smoked fish, including fillets: - - Herrings ( <i>Clupea harengus</i> , <i>Clupea pallasii</i> )	7
0305 61 000	- Fish, salted but not dried or smoked and fish in brine: - - Herrings ( <i>Clupea harengus</i> , <i>Clupea pallasii</i> )	7
0305 62 000	- - Cod ( <i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i> )	7
0305 69	- - Other:	
100	Fishmaws	7
<b>03.06</b>	<b>Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine, crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustacean, fit for human consumption</b>	
0306 24	- Not frozen: - - Crabs:	
100	In airtight containers	8
<b>1601 .00</b>	<b>Sausages and similar products, of meat, meat offal or blood; food preparations based on these products</b>	
100	In airtight containers	15
900	Other	10
<b>16.02</b>	<b>Other prepared or preserved meat, meat offal or blood</b>	
1602 10	- Homogenised preparations: In airtight containers:	
120	pork	15
1602 41	- Of swine: - - Hams and cuts thereof:	
190	In airtight containers: other	10
1602 42	- - Shoulders and cuts thereof: In airtight containers:	
190	other	10
1602 49	- - Other, including mixtures: In airtight containers:	
190	other	10
1602 90	- Other, including preparations of blood of any animal: In airtight containers:	
200	Preparations of blood	15
<b>1603 .00</b>	<b>Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates</b>	
100	Extracts and juices of meat or fish extracts	20
<b>19.02</b>	<b>Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared</b>	
1902 11	- Uncooked pasta, not stuffed or otherwise prepared: - - Containing eggs:	
100	Noodles	5

## EXEMPTION OF IMPORT DUTY

Tariff Code		Description	Current Rate (%)
1902	19	900 Other	5
		- - Other:	
		100 Noodles	5
		900 Other	6
1902	20	- Stuffed pasta, whether or not cooked or otherwise prepared:	
		200 Stuffed with fish	8
		300 Stuffed with crustaceans or molluscs	8
		900 Other	6
1902	30	- Other pasta:	
		100 Noodles	8
		Rice vermicelli:	
		210 instant (packed with seasoning)	8
		290 other	5
		300 Transparent vermicelli (suun)	6
<b>19.05</b>		<b>Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products</b>	
		- Sweet biscuits; waffles and wafers:	
1905	31	000 - - Sweet biscuits	6
1905	32	000 - - Waffles and wafers	6
1905	40	- Rusks, toasted bread and similar toasted products:	
		900 Other	6
1905	90	- Other:	
		100 Unsweetened biscuits	6
<b>20.05</b>		<b>Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06</b>	
2005	10	- Homogenised vegetables:	
		Other:	
		910 in airtight containers	8
2005	20	- Potatoes:	
		Other:	
		910 in airtight containers	8
		- Beans ( <i>Vigna spp.</i> , <i>Phaseolus spp.</i> ):	
2005	59	- - Other:	
		Other:	
		910 in airtight containers	8
2005	80	- Sweet corn ( <i>Zea mays var. saccharata</i> ):	
		100 In airtight containers	8
		900 Other	8
		- Other vegetables and mixtures of vegetables:	
2005	99	- - Other:	
		Other:	
		910 in airtight container	8
<b>20.08</b>		<b>Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included</b>	
2008	20	- Pineapples:	
		100 Cooked otherwise than by steaming or boiling in water, frozen	10
		Other:	
		910 in airtight containers	10
		990 other	10
		- Other, including mixtures other than those of subheading 2008.19:	
2008	91	000 - - Palm hearts	8

## EXEMPTION OF IMPORT DUTY

Tariff Code	Description	Current Rate (%)
<b>20.09</b>	<b>Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter</b>	
	- Pineapple juice:	
2009 41 000	- - Of a Brix value not exceeding 20	20
2009 49 000	- - Other	20
2009 80	- Juice of any other single fruit or vegetable:	
	Other:	
	ready for immediate consumption:	
	911 guava juice	6
	919 other	6
	990 other	6
2009 90	- Mixtures of juices:	
	Other:	
	910 ready for immediate consumption	10
	990 other	5
<b>21.01</b>	<b>Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof</b>	
	- Extracts, essences and concentrates, of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee:	
2101 11 000	- - Extracts, essences and concentrates	5
2101 12	- - Preparation with a basis of extracts, essences or concentrates or with a basis of coffee:	
	900 Other	5
<b>21.02</b>	<b>Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of heading 30.02); prepared baking powders</b>	
2102 10 000	- Active yeasts	15
<b>21.04</b>	<b>Soups and broths and preparations therefor; homogenized composite food preparations</b>	
2104 10	- Soups and broths and preparations therefor:	
	900 Other	20
2104 20	- Homogenised composite food preparations:	
	900 Other	20
<b>21.06</b>	<b>Food preparations not elsewhere specified or included</b>	
2106 10 000	- Protein concentrates and textured protein substances	15
2106 90	- Other:	
	300 Autolysed yeast preparations	20
	500 Preparations for the manufacture of lemonade or other beverages	15
	600 Preparations used for making jellies	15
	Other:	
	990 other	15

## ELIMINATION OF IMPORT LICENSE

Tariff Code	Description
<b>84.26</b>  8426 19 200 900	<b>Ships' derricks; cranes, including cable cranes; mobile lifting frame, straddle carriers and works trucks fitted with a crane</b>  - Overhead travelling cranes, transporter cranes, gantry cranes, bridge cranes, mobile lifting frames and straddle carriers: - - Other: Gantry cranes Other
<b>84.29</b>  8429 11 000 8429 19 000 8429 20 000 8429 40 110 190  8429 51 000	<b>Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers</b>  - Bulldozers and angledozers: - - Track laying - - Other - Graders and levellers - Tamping machines and road rollers: Road rollers: vibratory other - Mechanical shovels, excavators and shovel loaders: - - Front-end shovel loaders