

Port seeking lower import duties and more incentives

By R. SEKARAN
rsekaran@thestar.com.my

GEORGE TOWN: It will be good if the government can reduce import duties for heavy machinery and give incentives to create new industrial and free trade zones in Budget 2019, says Penang Port Sdn Bhd chief executive officer V. Sasedharan.

He said a reduction in import duties on heavy machinery and cranes would greatly help ports to reduce their operating expenditure.

"We will be spending around RM500mil over the next five years to expand the North Butterworth Container Terminal by acquiring machinery and cranes, so a reduction in import duties would definitely help reduce our capital

expenditure," he said when asked for his Budget 2019 wishlist.

According to him, import duties for heavy machinery were between five and 15%, while the import duties on cranes hovered around five to 10%.

"We should be given some leeway on such import duties, as port expansion can help the economy as a whole. Better incentives for us means greater economic growth for the country."

On the issue of free trade zones, Sasedharan said there would be a huge increase in container business if more free trade zones were created, as multinational companies would need the port to handle their cargo.

"We need to upgrade the present industrial zones such as the Prai

Industrial Estate, where the infrastructure has not been upgraded for some time, to attract new manufacturing companies," he added.

He also said the government should attract more environmentally friendly manufacturing entities rather than those that turn the country into a dumping ground for low-end products such as plastics.

"A vibrant free trade zone would attract high-end manufacturing companies that export their products out of Malaysia, which is the objective of the free industrial zones set up since the 1970s.

"There should be more incentives for foreign manufacturing companies to base their operations here for the export market, which would create synergy for our container business," Sasedharan added.



Looking ahead: Sasedharan says lower import duties on heavy machinery and cranes would help ports to reduce their operating expenditure.