

## **MALAYSIA: Scrap import duty for used tyres, says TRMAM**

**Source: "Bernama" (Malaysian National News Agency), Kuala Lumpur; 3 Sept 2010**

The Tyre Retreading Manufacturers Association of Malaysia (TRMAM) has asked import duty for tyre casing or used tyres be abolished for the betterment of the industry.

Such a move will be a big help once new tyre import duty progressively falls in line with Asean+3 and World Trade Organisation (WTO) tariff reduction requirements, as more tyres from China will flood the market, it said.

This will be apparent given that only two tyre manufacturers produce radial commercial tyres locally while imported tyre makes up a big percentage of Malaysia's new commercial tyre consumption, it said in a memorandum to the International Trade and Industry Ministry at the annual dialogue session.

Currently, it said used tyres/casing imports into the country are subjected to 30 per cent import duty, plus 10 per cent sales tax, regardless of source.

In comparison, new tyres imported from Asean Free Trade Area (AFTA) countries are subjected to five per cent import duty, plus 10 per cent sales tax.

New tyres imported from non-Afta countries are subjected to 40 per cent import duty and 10 per cent sales tax, it said.

"If due to casing importation difficulties and prohibitive casing costs, retread tyres are replaced by new tyres, one of the negative implications to the country's economy will be the expected increase in foreign exchange loss for more new tyre importation.

"More critically, tyre transport costs will increase, especially in terms of cost per kilometre," it said.

Hence, transportation cost will certainly increase and the consequent negative impact on inflation and the overall economy will be significant, it said.

Annual commercial tyre consumption in Malaysia is estimated at 600,000 pieces of new tyres and 1.1 million pieces retreat tyres.

Malaysia's retreading industry in total consumes about 16,500 tonnes of natural rubber annually, a significant contribution to the rubber industry.

*(Syed Rashid Ali, Karachi, Pakistan)*

**Adresse:**

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