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Customs regulation threatens Labuan's economy—Jeffrey

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KOTA KINABALU: The recent Customs regulation, which restricts the amount of duty-free beer tourists can carry off the island, could gravely affect Labuan's already struggling economy, warns Deputy Chief Minister Datuk Seri Panglima Dr Jeffrey Kitingan.

"Labuan's duty-free status is a vital catalyst for tourism and local commerce.

"Abrupt regulatory changes, like limiting tourists to just four cans of beer, could potentially jeopardise the island's economy.

"While the Federal Government's role is to safeguard and advance Labuan's economy, as public servants, we are obliged to voice our concerns over potential errors or opportunities for improvement.

"In Parliament, I have discussed these issues, championing for equitable and inclusive economic decision-making processes that consider the unique circumstances of each region," he said in a statement on Wednesday.

He implored the Federal Government to foster open and transparent dialogue with the residents of Labuan, reassess the recent measures, and provide unambiguous updates on the proposed bridge's progress.



Datuk Seri
Panglima
Dr Jeffrey
Kitingan

Jeffrey who is also the Parti Solidariti Tanah Airku (STAR) president, anticipates swift actions from the Labuan Corporation, under the stewardship of Tan Sri Anifah Aman, to tackle these challenges and guide Labuan towards economic recovery.

"As the people's representatives, we must promote prosperity and welfare for all Malaysians, including the residents of Labuan.

"I stand alongside them in their quest for effective and enduring economic strategies that respect their distinct status.

"Even though Labuan is a Federal Territory and doesn't have representation in the Sabah State Assembly, our shared history and geographical closeness underscore the significance of this issue for us in Sabah," he said.

On another note, Jeffrey called on the federal government to share updates on the proposed bridge project that will connect mainland Sabah and Labuan.

"Even if this issue falls outside the Sabah Government's jurisdiction, it is a topic of substantial public interest, frequently spotlighted during election cycles. A bridge could be an instrumental infrastructure project that bolsters Labuan's connectivity and economic dynamism," he said.

Business chambers in Labuan have expressed concern over strict enforcement by the Royal Malaysian Customs Department over the amount of duty-free alcoholic drinks that can be brought out of the duty-free island upon their exit.

Labuan Chamber of Commerce (LCC) chairman Daniel Doughty on July 3 said he had received complaints that travellers were only allowed to bring out a total of one litre of alcoholic drinks and, if it is beer, they were only allowed four cans.

Prior to this, a maximum of six litres, or a crate of 24 cans of beer, were allowed to be taken out without being taxed.

Labuan Corporation (LC) chief executive officer Rithuan

Ismail has urged the business chambers to submit reports on comprehensive economic impact caused by the limit on non-taxable alcoholic drinks.

Rithuan said the LC, being Labuan's sole local authority, has limitations when it comes to customs taxation policy, and this includes matters involving the customs duties order.

He said while LC understands the concerns of various business chambers on the issue, the local authority cannot interfere with the customs policy.

"We, too, have limitations in executing power," he told Bernama on Wednesday.

Rithuan said once the impact report is submitted, LC would help provide input to the Finance Ministry (MoF) in the interest of Labuan's economy.

"We are not only focusing on the customs taxation that has an impact on Labuan's economy but also other aspects such as basic amenities, including frequent water and power supply disruptions.

"LC had done a number of studies on obstacles that affect the progress of Labuan's economy, but there are certain things we cannot simply disclose publicly, and we hope business chambers can understand this situation," he said.



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SUMMARIES

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