

Zone are not liable to customs duty.

If they are allowed to be imported into the Principal Customs Area (PCA) for home consumption they are subject to the prevailing customs duty as is applicable to foreign imports. However, companies in Free Trade Zones may apply to the Treasury for exemption on import duty for products which they wish to sell in the domestic market.

If the goods imported into the PCA are to be used as direct raw materials or components by manufacturers in the PCA, the importing company may apply for duty exemption in respect of imports from the FTZ in the same manner as if the goods are imported from abroad.

Since the Free Trade Zone lies outside the Principal Customs Area, goods exported thereto are eligible for duty drawback.

3. Licensed Manufacturing Warehouses (LMW)

In order to encourage the dispersal of industries and to enable companies to establish factories for the manufacture of products mainly for the export market, where the establishment of a Free Trade Zone is neither practical nor desirable, the Government has allowed the setting up of Licensed Manufacturing Warehouses. These establishments are accorded similar facilities to those of factories operating in the Free Trade Zone.

(a) Eligibility

The companies normally approved for Licensed Manufacturing Warehouses are those:-

- (i) whose entire products are meant for export. Companies exporting not less than 80% of their product are also considered for approval.
- (ii) whose raw materials/components are mainly imported as such goods are not available locally.

Application for a License Manufacturing Warehouse is to be made in specified proforma available from the Royal Customs & Excise Department.

4. Water and energy supplies

The Malaysian Government realises the need of industry for competitively priced power and water supplies and reviews these rates from time to time.

5. Communications

Malaysia has 16,000 miles of some of the finest roads in Asia and an efficient rail and air system. Malaysia's communications system has also been designated by the World Bank as being of the 'A' Category, that is, comparable to the developed countries. International air and sea ports assure efficient handling and transport of cargo whether liquid, bulk or containerized.

6. Facilities for training in industry

A National Apprenticeship Scheme provides for a voluntary scheme whereby employers sponsor apprentices to undergo apprenticeship training usually over a period of three years sandwiched between periods of training at the Industrial Training Institute and the employers' work place. The apprenticeable trades covered include Mechanical, Electrical Engineering, Printing and Construction.

There are at present five Industrial Training Institutes and five more are planned for construction in

the near future. A unit to provide training for trade instructors, trade skilled workers and supervisors is made available at the Centre for Instructor and Advanced Skill Training under the Manpower Department.

A considerable number of various other types of skill upgrading and skill preparation courses are also available at many public and private training institutions all of which are available to employers at nominal cost. The Manpower Department also provides advisory services to industrial establishments on training.

The National Industrial Training and Trade Certification Board establishes national trade standards and develops training syllabi and implements a national programme in trade skill testing and awarding of certificates for 36 recognised skills or trades.