

# Premises charge 'shocker', now for Labuan traders

## Sohan Das

**LABUAN:** Traders here are in for more tough times.

Still licking wounds from the curbs imposed on the import and sales of cigarettes and alcoholic



drinks and the port congestion surcharge applied by shipping companies, they are being dealt with another "blow." The Labuan Corporation (LC) is introducing a new charge of RM1.50 per square metre of space used as trading premises, effective next year.

The trading licence fee has for umpteenth years been fixed at RM25, but for renewal this year, the applicant has to pay for the space charges.

Labuan PKR Chairman, Simsudin Sidek (pic), said the new charges showed the local authority has no mercy on the licence holders and was oblivious to the consequences the new charges would have on the traders.

"It also shows LC did not study the local economic situation and would not care about squeezing the traders from all directions," he said, adding the new move could result in some shops closing their doors.

He noted that there has been a barrage of new charges over recent months and Labuan now no longer offers a business-friendly environment.

"Various charges including for electricity, water, sewage service and rental have increased and how much more could the business community absorb?"

he asked.

On the RM1.50 per square metre charge, Simsudin said the amount may appear small, but it could further escalate the cost of operating business.

"I have been told that a budget hotel with three floors now has to pay RM1,500 for renewal of the trading licence," he said.

He said the issue was serious and Member of Parliament Datuk Rozman Isli, who is also the Chairman of LC, should bring it up to the Federal Territories Ministry before "the damage sinks into the economy."

He said last November, the Finance Ministry implemented stiff conditions on the sales and import of alcoholic drinks and cigarettes and huge bank guarantee requirements for imports.

Classified duty-free shops could only sell three crates of beer, five litres of liquor and three reams of cigarettes to a customer per month and a Customs officer should be stationed to monitor the sales and record them on the computer.

This measure triggered an outcry from all the chambers of commerce and the rules were revamped to allow retail shops, coffee shops, restaurants and cafeterias to sell the items in loose packs.

The measure looked good but according to consumers, since these outlets could not source supplies from wholesalers and have to purchase from duty-free shops, the prices of most of the items have increased by 20 per cent and in some cases by 50 per cent.

According to them, the revamped rules were not "good enough as small traders were still severely affected."