



Foreign Agricultural Service

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Malaysia

Agricultural Situation

Malaysia's 2000 Budget: Import Duty Reductions for Food Items

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Report Highlights:

The budget proposed to abolish import duties on 43 categories and reduce duties on 136 categories of food products. The abolishment and reduction of duties on imported goods should accelerate consumption and demand for many U.S. high value products which are well accepted by Malaysian consumers.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1], MY

SUMMARY

The Malaysian First Finance Minister presented the Government's 2000 Budget on October 29, 1999. The 2000 Budget, in line with the continuing policy of controlling inflation and stabilizing prices, proposed to abolish import duties on 43 food categories. The import duties on 136 categories of food products, whether fresh, dried or processed, have been reduced from between five and twenty percent to between two and twelve percent. There are no new taxes being imposed. A list of the revised duties for a number of selected food items is appended. Duties for food items not mentioned in this report remain unchanged.

OPPORTUNITIES FOR U.S. EXPORTS

The abolishment and reduction of duties on imported goods will lead to a general lowering of retail prices for these items and advance the Malaysian government's goal to keep inflation down. This in turn should accelerate consumption and demand for many U.S. high value products which are well accepted by Malaysian consumers.

U.S. exports of consumers oriented products into the Malaysian market slowed down significantly in 1998 due to the country's economic downturn and the steep depreciation of the Malaysian currency vis-a-vis U.S. dollars. The high duty rate imposed on these products (20%) reduced demand and partially explained the decline in sales.

The significant reduction in import duties of prepared cereals, prepared vegetables, prepared/preserved fruits, nuts and fruit juices are reopening opportunities for US exporters to look into this market again. With Malaysia's GDP growth projected at 5 per cent for 2000, it will boost US exports of consumer-oriented products to Malaysia. Meanwhile, exports of Sunkist oranges, Washington apples and California Table Grapes are expected to remain strong with the reduction of duty from 10% to 5%, and in the case of oranges, it is zero.

The abolition and reduction of import duties on various seafood items such as salmon, lobster, crab, oysters, scallops and mussels will encourage imports of such items from U.S. In the last UES submission, post has identified U.S. seafood as having export potential since Malaysia is a net importer of seafood products with an annual import valued at \$293.4 million during the 1996-98 period, of which only \$7.6 million worth of products were from the United States. Post will initiate appropriate market development work with importers, the Hotel, Restaurant and Institutional (HRI) food trade and retail trade.

TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE
0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen dried, salted or in brine; aquatic invertebrates other than crustaceans, and molluscs, live, fresh, chilled, frozen, dried, salted or in brine, flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption.		
	- Oysters		
0307.10.000	- Scallops, including queen scallops, of the genera <i>Pecten</i> , <i>Chlamys</i>	20%	Nil
0307.21.000	<i>or Placopecten</i> : live, fresh or chilled		
	Other: frozen	20%	Nil
0307.29.100	:dried, salted or in brine	20%	Nil
0307.29.200	- Mussels: live, fresh or chilled	20%	Nil
0307.31.000	Other: frozen	20%	Nil
0307.39.100	:dried, salted or in brine	20%	Nil
0307.39.200	- Cuttlefish and squid: live, fresh or chilled	20%	Nil
0307.41.000	Other: frozen	20%	Nil
0307.49.100	: dried, salted or in brine	20%	Nil
0307.49.200	- Octopus: frozen	20%	Nil
0307.59.100	- Snails, other than sea snails: live, fresh or chilled	20%	Nil
0307.60.100	: frozen	20%	Nil
0307.60.200	: dried, salted or in brine	20%	Nil
0307.60.300	- Other, including flours, meals and pellets of aquatic invertebrates other	20%	Nil
0307.91.900	than crustaceans, fit for human consumption : Live, fresh or chilled: aquatic invertebrates other than crustaceans and molluscs: other		
	: Other: aquatic invertebrate other than	20%	Nil
0307.99.900	crustaceans and molluscs; other	20%	Nil
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter		
0402.99.000	- Other: other	5%	Nil
0405	Butter and other fats and oils derived from milk; dairy spreads		
0405.10.000	- Butter	5%	2%
0405.20.000	- Dairy Spreads	5%	2%
0405.90.100	- Other: Ghee	5%	2%
0405.90.290	: anhydrous butterfat: other	5%	2%
0405.90.900	: other	5%	2%

TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE
0406 0406.10.100 0406.20.000 0406.40.000 0406.90.000	Cheese and curd - Fresh (unripened or uncured) cheese, (including whey cheese) - Grated or powdered cheese, of all kinds - Blue-veined cheese - Other cheese	 10% 10% 10% 10%	 5% 5% 5% 5%
0407 0407.00.119 0407.00.990	Birds' eggs, in shell, fresh, preserved or cooked - For hatching: other bird's eggs - Other: other bird's eggs	 5% 5%	 Nil Nil
0408 0408.11.000 0408.91.000 0408.99.000	Birds' eggs, not in shell and egg yolks, fresh, dried, cooked by teaming or by boiling in water, molded, fresh, or o/wise preserved, whether or not containing sugar/other sweetening matter - Egg yolks: dried - Other: dried other	 5% 5% 5%	 2% 2% 2%
0410 0410.00.200	Edible products of animal origin, not elsewhere specified or included - Bird's nest	 5%	 2%
0710 0710.40.000	Vegetables (uncooked /cooked by steaming or boiling in water, frozen - Sweet corn	 20%	 12%
0712 0712.30.100	Dried vegetables, whole, cut, sliced, broken or in powder but not further prepared - Mushrooms	 10%	 5%

0714	Manioc, arrowroot, salep. Jerusalem artichokes, sweet potatoes or similar roots and tubers with high starch/inulin content, fresh, chilled, frozen or dried, w/n sliced/in the form of pellets: sago pith		
0714.20.000	- Sweet potatoes	5%	2%
0714.90.900	- Other	5%	2%
TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried		
0804.20.000	- Figs	10%	5%
0804.40.000	- Avocados	10%	5%
0805	Citrus fruit, fresh or dried		
0805.10.100	- Oranges, fresh	10%	Nil
0805.20.110	- Mandarins (including tangerines and satsumas): fresh	10%	5%
0805.20.900	Other	10%	5%
0805.30.100	- Lemons	10%	5%
0805.30.200	- Limes	10%	5%
0805.40.000	- Grapefruit	10%	5%
0806	Grapes, fresh or dried		
0806.10.000	- Fresh	10%	5%
0808.	Apples, pears and quinces, fresh		
0808.10.000	- Apples	10%	5%
0808.20.000	- Pears and quinces	10%	5%

0809	Apricots, cherries, peaches (includ. Nectarines), plums, and sloes, fresh		
0809.10.000	- Apricots	10%	5%
0809.20.000	- Cherries	10%	5%
TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE
1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs		
1604.11.000	- Fish, whole or in pieces, but not minced: salmon	20%	8%
1604.13.110	- Sardines: in airtight containers	5%	Nil
1604.13.190	others	20%	8%
1604.13.910	- Other: In airtight containers	20%	Nil
1604.15.100	- Mackerel: in airtight containers	20%	Nil
1604.15.900	Others	20%	8%
1604.16.100	- Anchovies: in airtight containers	20%	Nil
1604.19.110	- Horse mackerel: in airtight containers	10%	6%
1604.19.190	: Others	20%	Nil
1604.19.910	- Others: in airtight containers	20%	Nil
1604.20.100	- Other prepared/preserved fish: in airtight containers	20%	Nil
1604.20.910	Other: shark's fins	20%	6%
1604.20.920	: fish paste and similiar preparation	10%	6%
1604.20.990	: other	20%	8%
1604.30.000	- Caviar and caviar substitutes	20%	8%

1605	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved		
1605 10.100	- Crab : In airtight containers	20%	6%
1605.10.900	Others	20%	Nil
1605.20.100	- Shrimps and prawns: in airtight containers	20%	8%
1605.20.900	Others	20%	Nil
1605.30.100	- Lobster: in airtight containers	20%	6%
1605.30.900	Others	20%	Nil
1605.40.100	- Other crustaceans: in airtight containers	20%	6%
1605.40.900	Others	20%	Nil
1605.90.110	- Abalone: in airtight containers	20%	6%
1605.90.190	Others	20%	Nil
1605.90.210	- Cuttlefish: in airtight containers	20%	8%
1605.90.290	Others	20%	Nil
1605.90.810	- Other molluscs: in airtight containers	20%	6%
1605.90.890	Others	20%	Nil
TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE
1901	Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa powder/cont. Less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified/included; food preparations of goods of headings No. 04.01 to 04.04, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis.		
1901.90.910	Other: of flour, meal, starch or malt extract, not containing cocoa powder	15%	6%
1901.90.920	: of flour, meal, starch or malt extract, containing cocoa powder in a proportion by weight of less than 40% calculated on a totally defatted basis	15%	6%
1901.90.940	: of goods headings No. 04.01 to 04.04, containing cocoa powder in a proportion by weight of less than 5% calculated on a totally defatted basis	15%	7%

1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni, couscous, whether/not prepared		
1902.11.100	- Containing eggs: noodles	15%	5%
1902.11.900	Others	15%	5%
1902.19.100	- Other: noodles	15%	5%
1902.19.900	Others	15%	6%
1902.20.200	- Stuffed pasta, whether or not cooked or otherwise prepared: stuffed with fish	20%	8%
1902.20.300	: stuffed with crustaceans or molluscs	20%	8%
1902.20.900	:Other	20%	6%
1902.30.100	- Other pasta: noodles	20%	8%
1902.30.210	: rice vermicelli-instant (with seasoning)	20%	8%
1902.30.300	: transparent vermicelli (suun)	10%	6%
1902.30.900	: other	20%	8%
1902.40.100	- Couscous: cooked	20%	8%
1902.40.900	: other	20%	8%
TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE

1904	Prepared foods obtained by swelling or roasting of cereal products; cereals in grain form; or in the form of flakes, or other worked grains (except flour and meal), pre-cooked/otherwise prepared; not elsewhere specified or included		
1904.10.110	- Of oats: containing less than 6% by weight of cocoa calculated on a totally defatted basis or coated with chocolates	10%	5%
1904.10.190	: other	5%	2%
1904.10.910	- Other: containing less than 6% by weight of cocoa calculated on a totally defatted basis or coated with chocolate	10%	5%
1904.10.990	: other	5%	2%
1904.20.100	- Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals: containing less than 6% by weight of cocoa calculated on a totally defatted basis or coated with chocolate	15%	7%
1904.20.900	: other	15%	7%
1904.90.100	- Other: containing less than 6% by weight of cocoa calculated on a totally defatted basis or coated with chocolate	15%	7%
1904.90.900	: other	15%	7%
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether/not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products		
1905.20.000	- Gingerbread and the like	20%	6%
1905.30.000	- Sweet biscuit; waffles and wafers	20%	6%
1905.40.900	- Rusks, toasted bread and similar toasted products: others	20%	6%
1905.90.100	- Other: unsweetened biscuits	20%	6%
1905.90.900	: other	20%	6%

TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE
2001	Vegetable, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid		
2001.10.000	- Cucumbers and gherkins	20%	6%
2001.20.000	- Onions	20%	6%
2001.90.110	- Other: vegetable, fruit or nuts: sweet corn	20%	8%
2001.90.190	: other	20%	6%
2001.90.200	: Products based on manioc, sweet potatoes and similar roots and tubers with high starch content, potato or dried leguminous vegetable flours	20%	7%
2001.90.900	: other	20%	8%
2002	Tomatoes prepared/preserved otherwise than by vinegar/acetic acid		
2002.10.910	- Tomatoes, whole or in pieces: other in airtight containers	20%	8%
2002.10.919	- Other: in airtight containers: other	20%	8%
2002.90.999	- Other: other	5%	2%
2003	Mushrooms and truffles, prepared or preserved otherwise than by vinegar/acetic acid		
2003.10.910	- Mushrooms: Other: in airtight containers	20%	6%
2003.20.990	- Truffles: Other: others	5%	2%

2004	Other vegetables prepared/preserved otherwise than by vinegar/ acetic acid, frozen		
2001.10.300	- Potatoes: Products based on potato flour	20%	7%
2004.10.910	Other: in airtight containers	20%	8%
2004.10.990	Other	5%	2%
2004.90.300	- Other vegetables and mixture of vegetables: sweet corn on the cob or in grains	20%	8%
2004.90.910	:Other: in airtight containers	20%	8%
2004.90.990	Other	5%	2%
TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE

2005	Other vegetables prepared/preserved otherwise than by vinegar/ acetic acid, not frozen		
2005.10.910	Homogenised vegetables: in airtight containers	20%	8%
2005.20.910	Potatoes: in airtight containers	20%	8%
2005.51.910	Beans, shelled: in airtight containers	20%	8%
2005.59.910	Other: other: in airtight containers	20%	8%
2005.60.910	Asparagus: in airtight containers	20%	8%
2005.70.910	Olives: in airtight containers	20%	6%
2005.80.100	Sweet corn: in airtight containers	20%	8%
2005.80.900	other	20%	8%
2005.90.910	Other vegetables and mixtures of vegetables: in a/tight containers	20%	8%
TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE

2008	Fruit, nuts and other edible parts of plants, otherwise prepared/preserved, whether/not containing added sugar/other sweetening matter/spirit, not else where specified/included		
2008.19.200	- Nuts, groundnuts and other seeds, whether/not mixed together: other, including mixtures: roasted	20%	6%
2008.19.900	Other	20%	6%
2008.30.911	- Citrus fruit: other: containing added sugar/sweetening matter or spirit: in airtight containers	20%	6%
2008.30.991	: other: in airtight containers	20%	8%
2008.40.911	- Pears: other: containing added sugar/sweetening matter or spirit: in airtight containers	20%	6%
2008.40.991	: other: in airtight containers	20%	8%
2008.50.911	- Apricots: other: containing added sugar/sweetening matter or spirit: in airtight containers	20%	6%
2008.50.991	: other: in airtight containers	20%	6%
2008.60.911	- Cherries: other: containing added sugar/sweetening matter or spirit: in airtight containers	20%	6%
2008.60.991	: other: in airtight containers	20%	8%
2008.70.911	- Peaches: other: containing added sugar/sweetening matter or spirit: in airtight containers	20%	6%
2008.70.991	: other: in airtight containers	20%	8%
2008.80.911	- Strawberries: other: containing added sugar/sweetening matter or spirit: in airtight containers	20%	6%
2008.80.991	other: in airtight containers	20%	8%
2008.91.000	- Palm hearts:	20%	8%
2008.92.200	: mixtures: of stems, roots and other edible parts of plants	20%	8%
2008.92.911	: Other: containing added sugar/sweetening spirit	20%	10%
TARIFF CODE (H.S.)	DESCRIPTION	OLD RATE	NEW RATE

2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether/not containing added sugar/other sweetening matter		
2009.11.910	- Orange juice: frozen: ready for immediate consumption	20%	6%
2009.11.990	:other	15%	5%
2009.19.910	:other : ready for immediate consumption	20%	6%
2009.19.990	:other: other	10%	5%
2009.20.910	- Grapefruit juice: ready for immediate consumption	20%	6%
2009.20.990	: other	10%	5%
2009.30.910	- Juice of any other single citrus fruit: ready for immediate consumption	20%	6%
2009.30.990	: other	10%	5%
2009.50.000	- Tomato juice	20%	6%
2009.60.910	- Grape juice (including grape must): ready for immediate consumption	20%	8%
2009.60.990	: other	10%	5%
2009.70.910	- Apple juice: ready for immediate consumption	20%	8%
2009.70.990	: other	10%	5%
2009.80.911	- Juice of any other single fruit or vegetable: ready for immediate consumption : guava juice	20%	6%
2009.80.919	: other	20%	6%
2009.80.990	: other	20%	6%
2009.90.910	- Mixtures of juices: ready for immediate consumption	20%	10%
2009.90.990	: other	10%	5%