

C.P.M. 1162/62.

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MEMORANDUM

It is the policy of this Government to promote industrial development for the attraction of capital to Malta and the creation of new or increased employment.

As Honourable Members are aware Messrs. Dent Allcroft have long been established, in Malta, they give steady employment to a considerable number of workers and they have established markets overseas for their products. This Firm is in the process of expansion and it is keenly competing in Commonwealth markets to extend its sales.

Representations have recently been made to the purpose of obtaining relief from duty on a number of materials imported for the manufacture of gloves; some of these items are directly needed for the manufacture of gloves; in this class there are included such materials as astrakhan in the piece, composite plastic and cotton fabric, linings, thread, tape, ~~thread~~ tape, trimmings etc., other items such as washing powders and industrial machine needles are also required for this industry.

Other industries have asked for import relaxation for their materials over and above what the Import and Export Duty Ordinance already provides. Messrs Dowty Seals who make rubber seals and mouldings solely for export have to obtain certain components from the U.S.A. they have to pay duty on chemical components which are not used by anyone else in Malta and to obtain a refund of the money so tied up they have to go through a complicated process of accounting in order to claim drawback. The procedure is laborious both for the Firm and for the Customs Department.

It is intended to take measures of a permanent nature to improve the situation when amendments to the Customs Tariff are in due course presented for enactment in the Legislative Assembly but as it may not be possible to introduce these amendments in view of the urgent and important matters before the Government it is proposed to give effect to the exemptions from duty by an exemption order to be issued under section 13 of the Import and Export Duties Ordinance. This order will have a temporary effect; it will enable the industries mentioned and those others mentioned in it to obtain without payment of duty the listed materials and components until such time as it is possible to proceed with legislation. In other words it will enable the Government to bridge the gap until legislation is enacted.

The issue of an order of this nature under section 13 of the Import and Export Duties Ordinance does not constitute a precedent because numerous exemption orders have in recent years been issued to permit the importation free of duty of materials for works or construction contracts of large entity.

The other items included in the order and not mentioned above comprise rough diamonds imported from foreign countries and certain ingredients required for the new enterprise producing balanced foods in quantity for cattle and animals.

L-ARKIVJI NAZZJONALI TA' MALTA

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