

MEMORANDUM FOR THE CABINET  
BY THE HON. MINISTER OF INDUSTRIAL DEVELOPMENT  
AND TOURISM

Application for assistance under the Aids to  
Industries Ordinance

The Dolphin Forge (Export)

Applicants have applied for:-

- (a) Income tax relief under Section 6;
- (b) Exemption from Customs duty under Section 7(1) on plant and machinery;
- (c) Exemption from Customs duty under Section 7(2) on materials;
- (d) Grant of £4,255 (50%).

2. The assistance is sought for the expansion, for export to U.K. and possibly to West Africa, of applicants' current production of ornamental and artistic wrought-iron articles at their small workshop in Fieta. Present output is limited to the manufacture, by hand, of articles of a certain type (such as railings, tables, doors) on individual order from local sources; applicants intend to construct a new workshop equipped with modern machinery and producing only for export. Applicants state they have already entered into a provisional agreement with a buyer/distributor in England who has promised substantial orders. Total capital involved is £8,510 fixed capital plus £1,650 working capital.

3. This application has been considered by the Aids to Industries Board after the usual publication of the application. The Board recommends income tax relief on profits derived from exports for a period of 10 years, and exemption from Customs Duty under Section 7(1) for a period of 3 years. The dates of commencement of the Exemption Orders will be decided at a later stage by the Chairman, Aids to Industries Board, in the light of the expected date of first production of the expansion project.

4. The Board also recommends a grant of 33 1/3% of capital equipment, payment of which will be tied to export and employment performance; approval for this grant has already been obtained from the U.K. Treasury via the Colonial Office in accordance with usual Colonial Development and Welfare procedures. The point of Customs duty on materials used by this industry is not important as most of their materials are already free of duty. Since production of this expansion project will be for export, any duty paid on materials can in any event be refunded by drawback on exportation of the finished articles.

5. Ministers may wish to advise the Governor to accept the Board's recommendations and to make the necessary Orders of exemption from income tax and Customs duty.