

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

Exemption from Customs Duty on Raw
Materials for Industries

It is the policy of the Government to promote industrial development, and in pursuance of that policy it is often necessary to exempt from customs duty the raw materials required for a local industry.

2. Such exemptions involves an amendment to the Customs Tariff, which implies a lengthy procedure in the Legislative Assembly. New industries cannot be expected to wait for a long time, while this lengthy procedure is being followed, and in order to save time it is proposed to give effect to the exemptions from duty by an exemption order issued under section 13 of the Import and Export Duties Ordinance. The order would have only a temporary effect and would enable the industries concerned to import the required raw materials, without payment of duty, until such time as the required legislation is approved by the Legislative Assembly. In other words the exemption order would enable the Government to bridge the gap until the necessary legislation is enacted.

3. An exemption order has to be signed by the Governor in accordance with the advice of the Cabinet or a Minister acting under the general authority of the Cabinet.

4. It is suggested that it would save time considerably if reference to the Cabinet were dispensed with, in cases which are agreed to by the Aids to Industries Board or by the Minister of Finance.

5. It is accordingly proposed that Hon. Ministers should agree that general authority be granted to the Minister of Industrial Development and Tourism to advise the Governor direct in such cases, for the purposes of subsection (1) of section 31 of the Constitution.

6. The above proposal, if agreed to, will eliminate irksome delays which are the source of justified complaint by industrialists.