

Idris Jala: Opposition should help gov't implement GST
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Malaysia has no choice but to implement the much-resisted goods and services tax (GST) as driving up corporate taxes will hurt business competitiveness.

In fact, said Minister in the Prime Minister's Department Idris Jala, GST implementation could actually allow government to cut corporate tax.

But pushing this through is a big task for the government which would require the opposition's help, he said today.

"Every time the government wants to do it the opposition will make life difficult for them, saying that they will lose votes.

"I wish the opposition will come around and do this together... (as it is) essential to do it," he said at the Economic Transformation Programme's first anniversary celebration in Bukit Kiara.

Saying that the tax must "sooner or later" be pushed through, Idris' comments come after Prime Minister Najib Abdul Razak said the tax may be implemented "after the next general election".

The PM can call for snap polls any time from now until March 2013, with speculations of looming polls on the rise.

Answering the opposition's claims that the GST will hurt the poor, Idris said the segmenting of goods will mean that basic goods will be cheaper.

"We have GST-exempt and zero rated goods, and because it replaces the sales and service tax (SST), (people) are better off.

"From three to five percent SST, lots of zero rated goods will come out cheaper," he said, referring to the bulk of Malaysian consumers whose incomes are too low to be taxable.

He also noted that the Performance Management and Delivery Unit (Pemandu) of which he is CEO is still "gung ho" about cutting subsidies.

"But we will always need to protect the bottom 40 percent," he said of low income earner, whose needs will be addressed through the cost of living national key results area.

'Stop quarreling among yourselves'

Meanwhile, commenting on a question from the floor on government-linked companies, the minister said the private sector need not fear crowding out from these companies.

Admitting that it is a "long way" before the government can "rationalise" all GLCs, Idris said the private sector should instead focus on the global market.

"As Malaysians, the Kelabit, the Chinese, the Malaysia, we are at fault for quarreling among ourselves for this small (economic) cake. There's a huge cake out there," he said.

He added that the "fixation about quarreling about the market" is holding the private sector back.

“See how to win it out there rather than hammer ourselves to death and complaining and moaning and groaning about not getting this cake. Wake up lah,” he said.

ETP on track

Earlier, he said that the ETP is on track to turn Malaysia into a developed nation by 2020, having realised RM10 billion worth of projects so far and expecting another RM5 billion by the end of 2011.

“A total of 70 out of the 131 entry point projects, or 53 percent, have taken off,” he said.

He added that the ETP continues to measure itself through the gross national income, job creation and total investment targets, and not in comparison to the regional nations who are at varying levels of development.

“We don’t want to look at that competition as it is like comparing apples and pears,” he said.

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