

'GST will not save Malaysia from bankruptcy'

Malaysiakini.com

November 2, 2011

by S Pathmawathy

How can the goods and services tax (GST) be a solution to the country's financial woes when the government is spending money uncontrollably?

This is what Pakatan Rakyat wants Minister in the Prime Minister's Department Idris Jala to answer, in response to his position that the implementation of the GST had to be pushed through, "sooner or later".

NONE In fact, asked DAP's Petaling Jaya Utara MP Tony Pua (centre in picture) at a press conference in the Parliament lobby today, "how can the GST end Malaysia's bankruptcy woes?"

He added: "We have a lot of money. Our revenue has increased by huge amounts. I think our revenue was only about RM100 billion in 2006 and I think now it is RM190 billion and it has gone up 90 percent over period of less than 10 years.

"Our revenue is going up but the problem is that we are not spending our money wisely. Where is our money going to?"

"We will be faced with potential bankruptcy due to wastage, due to leakages, due to corruption and due to (lack of) risk management."

NONE Idris said at the Economic Transformation Programme's first anniversary celebration in Bukit Kiara yesterday that implementing the GST could actually allow the government to slash corporate tax and this would in turn boost business competitiveness.

However, Idris added, implementing the GST would require the support of the country's opposition as it was a mammoth task.

Countering this claim of Idris, Pua said it was bloated government expenditure that needed to be monitored.

"Our operating expenditure in 2006 was RM90 billion, today our operating expenditure is RM180 billion, double that of six years ago. Why did it go up by so much in five to six years? This is what the government must answer," he said.

"We can give the government more money, but no matter how much tax it collects, it's not going to be enough."

Allowing the government to go forth to implement the GST, Pua said, would be akin to "stuffing money into a pocket with holes" and until the day the hole is stitched, "the more money you stuff in, the bigger the hole will get".

Dzulkefly Ahmad (PAS-Kuala Selangor) reiterated Pua's retaliation to the comments made by Idris and he also said, "The issue of GST does not arise. Bankruptcy will be due to wastage."

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd
<http://www.malaysiakini.com/news/180317>