

GST likely only 'after general election'

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By Lee Long Hui

Minister in the Prime Minister's Department Idris Jala said he hopes that the government will be able to implement the Goods and Services Tax (GST) after the next general election, and called on Pakatan Rakyat to work with BN to ensure the success of this policy.

NONE "Hopefully (GST will be implemented after the general election). I believe that both BN and Pakatan should work together when it comes to things that are very important for the country," he said.

He was responding to a question on whether he hopes the government will implement the controversial policy after the next general election, during a luncheon with members of the Malaysian Institute of Certified Public Accountants at a luncheon in Kuala Lumpur today.

Although the 13th general election is speculated to be called in May or June, Idris said he does not expect the GST to be introduced before the end of the year.

"You have to ask the prime minister. He is the finance minister but I don't think that's going to happen now. As I have mentioned, it will take a long time to implement - at least a year (from the time it was announced)," he said.

"But I do believe there are a lot of reasons to do it for a country like ours. That's why 143 countries have already implemented GST."

Broadening the tax base

Premier Najib Abdul Razak had already indicated last September that the GST will not be implemented before the next general election.

However, all quarters are now involved in a guessing game as to exactly when the 13th general election will be held.

To another question on the hurdles faced by Malaysia in implementing GST, Idris said that there is a possibility that the public would react cautiously to the idea.

"There are a lot of people that worry the impact of GST on inflation. They worry the GST may affect staple food (prices).

"But eventually there are many countries, that have implemented GST, make those staple items such as rice to be excluded from GST

"But I think education is a key to create a greater awareness," he explained.

Idris reiterated that GST would help to broaden Malaysia's tax base which is currently shouldered by only 1.7 million taxpayers, and both the corporate and personal tax could be reduced to enhance the competitiveness of our products and services.

