

Husni sold only half-truths on GST, says Jerit
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Second Finance Minister Ahmad Husni Mohamad Hanadzlah has given only false assurances on the goods and services tax (GST), failing to explain how people would be spared suffering, an NGO said today.

Charging that Husni's intention was to fool the people, Oppressed People's Network (Jerit) questioned how GST will not burden the public if prices rise with many Malaysians' expenditure already higher than their income.

"According to Bank Negara Governor Zeti Akhtar Aziz, Malaysia's household debt was 83 percent of GDP and the highest in Asia compared with Singapore and Hong Kong, at 67 and 58 percent respectively.

"What is the fate of the people if the GST is imposed?" Jerit Coordinator E. Parames said in a statement.

In a speech on Thursday, Husni had said Malaysians can embrace the GST which will kick off in April 2015 at 6 percent as it was among the lowest in the world and would bring no pain, especially for the very poor.

He then cited a government study claiming that for those earning RM2,000, the extra tax burden to be borne under the GST was only RM15.06 or 2.6 percent of their expenditure.

Jerit said the minister needs to explain more as his figures make no sense. "What is meant by the Minister as an additional tax?

He noted that for a family earning RM2,000, they would need to spend every cent on basic expenses such as groceries, school and transport expenses, to and from work, electricity and water bills and mortgage payments or rent.

And if the 6 percent GST tax was implemented, the family has to pay RM120 a month for goods and services.

By saying that such consumers only need to pay RM15.06 in new taxes, Parames asks, does Husni mean that the government has a way to exempt almost 90 percent of such consumers' purchases from the GST?

The government had said that some essential items, widely used by the lower income group, would be GST exempt.

But Parames argued that to date, the government have not revealed what these items were.

Even so, Jerit also doubted that the government could control market prices from rising if the wide-ranged GST is applied on all production processes.

