

MCA: Will Milo, Maggi cost more with GST?
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With essential items exempt from the goods and services tax, MCA now urges the government to clarify what will happen to a score of other goods and services used by Malaysians daily.

MCA vice-president Chua Tee Yong said this includes things like cocoa malt drink Milo and instant noodles Maggi Mee, which are staples in Malaysian homes.

He also urged the government to do more than just provide "generalised" statements that most goods and services will not be more expensive with the introduction of the GST.

"The issue we encounter is that the public do not have information on what items will be impacted and what will happen.

"For example, what is the impact of GST on daily items like Nescafe, Milo, tea, cooking oil and even Maggi Mee.

"The government should release information on the 689 items so the rakyat can understand more on the impact of GST," he said in a statement.

He was commenting on Deputy Finance Minister Ahmad Maslan's statement that 689 everyday goods will be taxed under the GST, but the prices of about half of those items will not rise.

Ahmad also said that 287 items from the list will actually see a price reduction as the GST is introduced at 6 percent, lower than the existing sales and services tax that it will replace.

Chua said that making full disclosure on such items will gain the public's trust, which is important as the GST is crucial to Malaysia's economy.

He said that this is because Malaysia can no longer rely on petroleum revenue, which has been on the decline.

"The implementation of GST will also plug leakages especially in shadow economy like goods and services which are paid for in cash, and therefore not declared for tax," he said.

The GST, which will be introduced on April 1, 2015, prompted a protest rally of about 50,000 people in Kuala Lumpur on May 1.

In response, the government is embarking on an information campaign to debunk

"misunderstandings" over the new tax.

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