

GST for petrol 'may or may not happen'
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There is still no decision yet on whether petrol and diesel purchases are taxable under the goods and services tax (GST), Deputy Finance Minister Ahmad Masla said today.

Ahmad (right) said the government may decide on this together with the new fuel subsidy scheme, which is slated for implementation on Sept 1.

"It may happen, it may not happen. However, in principle, subsidies need to be targeted to help those who are in trouble," Ahmad told a press conference.

He added that the issue was being deliberated by a joint committee under Finance Ministry and the Domestic Trade, Cooperatives and Consumerism Ministry, and would be approved by the cabinet before any announcement is made.

During a briefing on the GST earlier, Ahmad said that under the current system, some 70 percent of the government's fuel subsidy bill of RM22.4 billion went to the high and upper-middle income groups, while the remaining 30 percent goes the lower and lower-middle income groups.

Previously, Pandan MP Rafizi Ramli (below, left) had questioned if the RON95 petrol and diesel would be tax-exempted under the GST scheme, warning that it would have an impact on the cost of living.

The GST will take effect from April 1, 2015, replacing the existing sales and services tax (SST).

At press conference, Ahmad said that he hopes the government campaign to explain the tax to the people would go down better than PAS' attempts to explain hudud, noting that the party has been pushing for the Islamic penalty system since 1990.

"Since 1990 PAS has been talking about it (hudud). In 2014, DAP still does not understand. Since 1990, it has been talked about in Kelantan, but the people of Kelantan, even the Malays and the Muslims, still don't fully understand hudud.

"Twenty four years now. We don't want that to repeat (with GST)," he said, while listing several government efforts to explain GST to the people.

He also urged members of the public to find out more about GST through the Customs Department's website.

'Gov't to collect RM3 billion more from rakyat'

In addition, Ahmad said, the government would issue a 'Shopper's Guide' in January next year, which will list some 1,000 items, on whether GST is expected to increase or decrease its price and by how much.

This will serve as a guideline to both consumers and retailers, he said, as well as help combat profiteering.

Meanwhile, Rafizi, in a statement today, claimed the government stands to gain RM3 billion from GST charges for petrol and diesel.

Insisting that the government would implement the tax on the two commodities, Rafizi said his projection was based on last year's total petrol and diesel usage of 14.05 billion litres and 9.64 billion litres respectively, in accordance with a parliamentary reply given to him.

The additional RM3 billion in tax levied onto the people, he said, would be akin to the government raising fuel costs by RM0.13 per litre for petrol and RM0.12 per litre for diesel.

This, he warned would certainly have a multiplying effect on the costs of goods.

"As such, I urge Prime Minister Najib Abdul Razak to quickly announce that GST will not be imposed for the purchase of petrol and diesel.

"If he refuses to announce the exemption of petrol and diesel from GST, then he must quickly explain how BN intends to spend the RM3.1 billion collected from the rakyat," the PKR director of strategy said.