

PKR: Gov't may shock people with GST on petrol
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The government may be planning a late declaration of its intention to implement the goods and services tax (GST) on petrol and diesel, PKR warned today.

Its strategist Rafizi Ramli and Kelana Jaya MP Wong Chen told a press conference that it is impossible the government would exempt petrol and diesel from GST as it these two items are likely to be the largest components for GST.

“GST on petrol and diesel can bring up to RM3 billion in extra revenue to the government, and this could make up 12 to 14 percent of the overall GST revenue. This will make petrol and diesel the largest component,” Rafizi said.

Deputy Finance Minister Ahmad Maslan was recently reported as saying that the government has not decided if GST will be implemented on petrol and diesel.

Rafizi said industries should be given at least a year to prepare if GST is to be applied to petrol and diesel - and said that key players were “not amused” with the government’s delay in announcing the matter.

“If they are exempted, then please rate them as zero-rated items,” he said.

Rafizi said that Prime Minister Najib Abdul Razak might be delaying the announcement in order to avoid “early objections” by the people.

“They might just announce it lumped together when they announce the new fuel subsidy rates in September. That way, there won’t be time for us to mobilise a campaign to prevent this from happening,” he said.

“If announced, this (petrol and diesel under GST) will increase costs for the rakyat and further worsen the price hike situation that is already burdening the rakyat,” he added.