

Double trouble in 2015 with fuel hike and GST

MalaysiaKini.com

Oct 2, 2014

2015 will be a trying year for Malaysians who will have to pay new taxes and fork out more for the price of goods due to the fuel hike.

Pas vice-president Tuan Ibrahim Tuan Man said the brunt of the goods and services tax (GST) implementation and the full effect of the fuel hike will be felt most by the average Malaysian, especially middle- and low-income earners in urban areas.

"The impact of the 20 sen fuel hike will only be felt in three months' time. This will be made worse when GST kicks off in April (2015)," he said in a statement today.

Tuan Ibrahim added the petrol hike would not only lead to a rise in price of goods but also those of food items and beverages.

The imposition of GST would also lead to increased inflation in the country for the first two years at least, said Tuan Ibrahim, citing the '2H2014 Economic Outlook: External Positives Amidst Domestic Challenges' report by the Malaysian Rating Corporation Bhd.

He said in countries like China, Singapore and Australia, inflation rates doubled or tripled when GST was first introduced.

Expect more subsidies removed

Meanwhile, Ipoh Barat MP M Kulasegaran (right) warned the fuel hike announcement yesterday would be the start of a "continued subsidy removal exercise which will burden the people."

"There is no doubt that the steep increase is bound to have a chain effect which will burden the people, despite the government's plan to dish out more money under the Bantuan Rakyat 1Malaysia (BR1M) scheme."

The DAP parliamentarian asked if the recent increase in fuel prices yesterday meant that the government had decided that fuel would not be taxed under GST.

Kula also took a swipe at Kinabatangan MP Bung Mokhtar who "insensitively" tweeted last year, "petrol prices have gone up, but it surely would not burden the rakyat as the only people with big cars are prominent figures who can afford it.

"Kampung people don't have car".

"Will he again make such insensitive and silly remarks to support the BN government's

announcement to increase fuel prices?" Kula asked.

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