

Najib, now is not the best time to implement GST
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COMMENT Prime Minister Najib Abdul Razak, you said last Thursday that now is the best time to implement the Goods and Services Tax (GST) because you claim that with the decrease of fuel prices, Malaysians will have more money in hand and have a higher purchasing power.

This is totally untrue. The decrease in fuel prices have not made the prices of other goods go down. This has never happened before and you know very well that our enforcement agencies can never bring down the prices of goods. You have also cut subsidies, which means you have left prices in the hands of the market.

On ground zero, the rakyat has been facing a massive increase in daily expenses, and people and businesses just talk about further price increases after the GST. No amount of creative advertisements by the government seems to dispel this fear.

Besides that, your neoliberal economic policies have ensured that education, healthcare and basic amenities are left in the hands of corporate companies to decide. Most of these companies are huge firms with their cronies within Umno itself. Can you make them bring down the prices of education and healthcare?

Your government has also completely failed to control housing prices, and all your measures do not seem to make houses much cheaper.

Now regarding the GST - you are embracing the GST because most countries in the world follow this taxation system. Just three days ago, you complained that our economy is down because of the global financial and economic crisis.

You have clearly understood that the global economy determines your economy, and it is not always correct to follow what these global superpower 'gurus' in the World Bank and the International Monetary Fund (IMF) preach to you.

Before the end of the Cold War in 1989, only 48 nations used the GST. The previous taxation policies were more progressive in nature where the rich had been taxed, but the victory of neoliberal capitalism since then has resulted in 160 countries now using the GST model.

Mr Prime Minister, you mentioned in your budget speech that we will get an income of RM23.8 billion from the GST annually. But if you remove the income you would have to do away with because of expenses on 1Malaysia People's Aid (BR1M), sales and services tax (SST) and GST exemptions, you will only get a revenue of RM690 million.

'Tax Malaysia's billionaires'

Now, if you just take the 10 richest people in Malaysia, their annual worth is RM181 billion. If you tax them by 15 percent, you will be able to make RM27 billion a year; that is enough to cover your income from the GST which you plan to take from people in the entire nation.

However, you instead decided to make the taxation paid by billionaires an official secret when it was raised in Parliament last year. That is why we keep telling you to spare the poor and tax the rich. But in your last budget, you have again cut corporate taxes.

If you look into your administrative cost, it amounts to RM223.4 billion - which is equivalent to 82 percent of the total budget. If you save just 10 percent here, you will be able to get another RM22 billion without implementing the GST.

Now Mr PM, I have not gone into black money and corruption yet.

A study by Washington-based financial watchdog, Global Financial Integrity, shows Malaysia as the fourth biggest - with US\$370 billion (RM1.21 trillion) - illegal outflow of black money and illicit money between 2002 till 2011.

The same report said that in 2012, Malaysia lost RM171 billion from corrupt practices and creative money management alone.

Saving just a quarter of this amount would enable us to have another RM43 billion in hand.

Mr Prime Minister, it looks like your government will have no political will to increase the minimum wage which is due this year. You are definitely going to defer this the same way how you have deferred from trying to achieve the goal in making Malaysia a high-income society by 2020.

It is with this argument that this is perhaps not the right time to implement the GST. Please, on April 1, do tell the nation that it was just an April Fool's joke and you will not implement the GST.

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