

Customs: GST on sardines as it's processed food

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Canned sardines are charged the goods and services tax because it is categorised as processed food, unlike luxury item lobsters, said the Customs Department.

It said this in its reply to 106 questions the anti-GST activists posed to it in a sit-in at the Federal Territories Customs Department last week.

Activists refused to budge when the Customs Department declined to respond to questions, resulting in the arrest of more than 80 people.

"Lobsters are classified as basic food under the 'crustaceans' category, which has zero GST.

"Canned sardines are classified as processed food and levied six percent GST," it said.

To another question, it said the government chose which items will be zero-rated based on the needs of the people and can be reviewed from time to time.

All of the projected RM23.3 billion revenue from GST will be placed in the consolidated fund and used for "national administration and development".

It said among expenses budgeted for 2015 are:

- Teaching and education programmes: RM60 billion;
- Healthcare: RM23.3 billion;
- Bantuan Rakyat 1Malaysia: RM4.9 billion;
- Infrastructure: RM4.5 billion;
- Scholarships: RM3 billion;
- Aid for the poor, senior citizens and disabled: RM1.2 billion; and
- 1Malaysia book vouchers: RM325 million

"As a whole, the people and the country will be the biggest beneficiaries of the GST, through infrastructure, education and healthcare," it said.

The GST will come into force on April 1 at six percent.