

## **NGOs: Gov't compromise with telcos 'disgusting'**

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Civil society groups are “disgusted” with the government for letting telecommunications companies off the hook for raising its prices after the latter proposed to give users more talktime as compensation.

“Gabungan Bantah GST is disgusted with the move by the government in compromising with the telco companies on the 6% GST imposed on pre-paid top-up services.

“This action by the government compromising to the big companies clearly shows that the authorities are not in control and not ready to implement GST.

“The government should stand firm if they really want to protect the rakyat from unscrupulous businesses,” said the NGO coalition’s media coordinator M Nalini in a statement today.

She said with the latest development, users would now have the additional task of monitoring whether the telco companies are really providing an increased talktime and SMS.

“Our enforcement is already bad and the larger sector of society who use pre-paid services mainly the lower income group will definitely be affected,” she added.

Following the implementation of GST on April 1, consumers have balked at telcos charging extra 6 percent when the government had promised prepaid rates would remain the same, as GST replaces the earlier 6 percent sales tax that has since been abolished.

### **Gov't so easily fooled?**

Meanwhile Consumer rights activist Muhammad Shaani Abdullah said the solution was a “betrayal” by the government.

He asked how the government could agree to it when it had assured a month ago on March 6 that there would not be a rise in prepaid cards.

“It is as if the authorities have been so easily fooled (by the telcos) and the users now are the victims of the telco companies,” he said in a statement today.

“In our view, this solution is a betrayal by the authorities who have long declared that GST would not burden the people,” he said.

He added 85 percent of phone users are from the low income group.

For the sake of the poor, said Muhammad Shaani (above), the government should halt

attempts to allow the new prices to prevail, to discourage others from using the same ploy to profit from the GST.

The groups are not alone. Deputy Finance Minister Ahmad Maslan said consumers preferred lower prices to extra talktime, while Gerakan Youth chief Tan Keng Liang rejected the idea outright and called on the government to take action against the telcos.

### **'Not too late to undo GST'**

On a related matter, Nalini said the prepaid issue was just one of many problems with the GST that is affecting the people.

"On the first day itself, many shops including stalls by the roadsides have increased the price of their goods and services because of the price increase in the raw materials even though the raw materials are GST exempted.

"A cafeteria in a government complex has increased the prices and imposed GST on the food items they are selling.

"The customers have to pay not only 6 percent GST but also pay for the price increase," she said.

Nalini also claimed certain restaurants were not giving itemised bills but charging a lump sum GST on the total, which may include exempt items.

"This regressive tax should be abolished. Furthermore, the implementation is bad with decisions changing overnight and to the benefit of the businesses," she said.

She said Gabungan Bantah GST urges the government to abolish the tax, citing how Hong Kong abolished its GST in December 2006, after a consultation with stakeholders over a period of nine months.

"The Malaysian government should also do the same," said Nalini.