

DAP: Prepaid card solution of gov't 'deceitful'

MalaysiaKini.com

May 14, 2015

The government's touted "win-win solution" to the prepaid cards issue after implementing the goods and services tax is actually "cheating" consumers, says DAP's Petaling Jaya Utara MP Tony Pua.

Pua said while the price of the cards go back to pre-GST rates, the value is reduced because the usage is taxed by six percent.

"We call upon the minister to stop being a cheat with his play of numbers and words.

"He must stop being deceitful to the Malaysian public by constantly twisting and turning his positions in order to stop the multi-billion profits of the large telecommunication companies (telcos)," Pua said in a statement.

Communications and Multimedia Minister Ahmad Shabery Cheek (left) said prices of prepaid cards would revert to pre-GST prices but there will be a six percent GST charge on usage.

In exchange, users can expect better service, Shabery said.

"The announcement is highly deceitful because users no longer receive RM10 of airtime for each RM10 purchase.

"Instead, they are effectively receiving only RM9.43 of call services for every RM10 paid," Pua said.

He said the solution actually makes no difference to the price hike introduced by telecommunications companies on April 1, where consumers had to pay RM10.60 for RM10 airtime credit.

Siding with big business

The government had also "betrayed the rakyat's interest in favour of even more profit for the already highly profitable telecommunications companies (telcos)".

Telcos had used the switch from the now abolished sales and service tax to GST to bump up their prices by six percent.

Prior to April 1, telcos absorbed the six percent service tax. Instead of replacing this with GST, the companies incorporated the service tax portion into profits and levied an additional six percent for GST.

Consumer groups decried collusion among the telcos, all of which hiked prices by the same

rate, as well as profiteering.

Pua (right) said the government's decision yesterday "makes a complete mockery of the Anti-Profiteering Act", which is to stop unreasonable price hikes in conjunction with the GST.

The MP said there is no reason for the telcos to hike their prices because Maxis Communications, Digi Telecommunications and Celcom Axiata made pre-tax profits of RM2.44 billion, RM2.65 billion and RM3.1 billion respectively in 2014.

"Why is the BN government helping these highly profitable companies make an additional estimated RM770 million in profits?" he asked.

"The Najib administration must stop the duplicity of taking action against petty traders for alleged profiteering, while letting these big sharks get away scot free."

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd
Source : <http://www.malaysiakini.com/news/298278>