

PM: Higher taxes for free education, are M'sians ready?

MalaysiaKini.com

Sept 29th, 2015

Malaysians must be willing to pay higher income taxes for free education and the abolishment the National Higher Education Fund (PTPTN), Prime Minister Najib Abdul Razak has said.

"We can reduce PTPTN, we can give free education, but you will have to pay increased income tax. In Scandinavian countries, the top income tax rate is 65 percent.

"You can have a lot of things, but are you willing to pay 65 percent income tax?" Najib asked at a meeting with Malaysian students in New York yesterday.

Malaysiakini has obtained a recording of the speech.

Nordic countries like Sweden and Norway are famous for having free education up to post-graduate levels, and a slew of social benefits.

Income tax rates in these countries are high in comparison with that in Malaysia.

Income tax in Malaysia currently ranges from 10 to 25 percent, while in Norway and Sweden, income tax is as high as 39 percent and 56.9 percent respectively.

The opposition has, in the last general election, said it would abolish PTPTN if it takes over Putrajaya.

However, Najib warned that a populist approach is a recipe for disaster that would cause the country dearly in the long term.

"If you want instant gratification you will have to pay dearly in the long term.

"But if you are willing to forsake some of the instant gratification, you will have increased prosperity in the medium and long terms," he said.

He then quipped that life was not fair.

"Life is never fair, even as prime minister, life is never fair.

"I always say that when the price of petrol goes up, the prime minister gets blamed. But when the price of petrol goes down, it is market forces.

"But I'm not complaining, I know that's something that comes with the job," Najib said.

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Source: <http://www.malaysiakini.com/news/313842>