

Although criticised, GST saved country, says Najib
MalaysiaKini.com
May 31st, 2016

Although it was heavily criticised when it was implemented on April 1 last year, more people have now accepted the Goods and Services Tax (GST) after realising that it saved the national economy, said Prime Minister Najib Abdul Razak.

He said the implementation of the GST was seen as an unpopular decision by the government and it was used as a political weapon, but economic experts felt that it was the most appropriate step by the government.

With the global economic uncertainty and without the GST, Malaysia would have faced a very serious economic crisis like Greece, he said.

"Generally, we are not a government that runs away from the responsibility of implementing any decision which is thought to be right for the nation and the people.

"However, our good and noble intentions were misunderstood by certain parties and made into a political issue, whereas rationally-speaking, it was something that could not be avoided. The strong national revenue contributed to a resilient economy which ensured the welfare of the people could be continued to be looked after," he said.

Najib was speaking at the Treasury's Excellent Service Awards Ceremony 2015 held at the Finance Ministry Complex in Putrajaya today.

Also present were Second Finance Minister Ahmad Husni Mohamad Hanadzlah, Deputy Finance Ministers Chua Tee Yong and Johari Abdul Ghani and Treasury secretary-general Mohd Irwan Serigar Abdullah.

On April 1, 2015, Malaysia began implementing the GST at the rate of six percent.

'GST returned to people'

Najib said the net GST collection for nine months last year was RM27.01 billion and this year, it was expected to be RM39 billion.

"The GST collection has been returned to the people in the form of major projects such as the MRT, LRT, Pan-Borneo Highway, Rapid Pengerang and we are still carrying out the ICU (Implementation Coordination Unit) projects. In the meantime, we can still afford to look after the welfare of civil servants including a special raise this year," he said.

Najib added the Malaysian economy was influenced by external factors such as economic uncertainties following the drop in the price of oil, the shrinking of the Chinese economy and the increase in interest rate in America, which were beyond the government's control.

- *Bernama*

Copyright © 1999-2016 Mkini Dotcom Sdn. Bhd
Source: <https://www.malaysiakini.com/news/343655>