

## **Reducing GST will cripple economy, says PM**

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Prime Minister Najib Abdul Razak has rubbished a suggestion to reduce the goods and services tax (GST) from six percent to three percent.

Liew Chin Tong (DAP-Kluang) had proposed this, claiming that the GST is dragging down domestic consumption.

"This is a negative interpretation by the opposition," Najib replied, to cheers from BN lawmakers.

"Without GST, Malaysia's economy will be crippled," he added, causing a brief commotion in the House.

In a press conference at the Parliament lobby later, Liew expressed his disappointment with the brief reply he got to his supplementary question.

"The prime minister answered with a one-liner that the GST is an economic saviour.

"GST is saving the BN government and national treasury, because with the drop in oil prices, the GST has given funds injection, but it is not an economic saviour," Liew said.

He then reiterated that what saves the economy is domestic demand, which he insisted has fallen due to the GST.

The GST was implemented in April 2014 to replace the sales and services tax.

Najib earlier said that the government had been successful in maintaining the momentum of economic growth, propelled by strong domestic demand, supported by low inflation and unemployment rates.

He said the gross domestic product (GDP) for 2016 is expected to be between 4 to 4.5 percent.

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