

## **PM: Govt to prioritise improving governance before taxation**

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**Bernama**

Malaysia's first priority must be to improve the issue of governance while taxation is the secondary issue in any reasonable public and economic policy initiatives, Prime Minister Anwar Ibrahim said.

According to him, the issue of governance is crucial to ensure that there are no unnecessary leakages, absconding of public wealth and corruption.

"We can then assess the necessity of taxation as it is something that is essential only if it is deemed to be critical," he said in his speech at the symposium 'The Path Towards Greater Prosperity for Malaysia' organised by Universiti Malaya (UM) at the Putrajaya International Convention Centre today.

He said discussions on value-added tax (VAT) and goods and services tax (GST) are relevant but one should not forget the fact that this country has inherited a major problem of governance, endemic corruption and the figures of deficit which the country has to grapple with.

“It was not because the economy has lost its capacity to grow or the fundamentals are weak but the way we govern and tolerate this.

“When I said we, (it) is not confined to politicians but academicians, scholars and corporate leaders, who in many ways complicit to the excesses of the crime,” the finance minister said.

He added that the policies embarked on the fundamental are to ensure good governance and political stability before considering how much tax is required to propel and sustain the economy.

Anwar said the issue of governance must take precedence before talking about whether the government showed enough concern and care.

“I wouldn’t deny the fact that Malaysia has got exceptional business. All governments in the past made major contributions to the welfare of the people.

“Our people, to an extent, the rural poor, rural half-land, you can see in comparison to most developing economies their rural infrastructure is relatively much better but the leakages are horrendous,” he said.

Anwar said among the policies to be implemented in addressing leakages include targeted subsidies where the government will stop subsidising the rich without

affecting 90 percent of the population.

He went on to explain that although the fundamental is governance, the clarity of policies namely the New Industrial Master Plan (NIMP) 2030, National Energy Transition Roadmap (NETR) and Mid-Term Review (MTR) of the 12th Malaysia Plan (12MP) as well as political stability, were also important to ensure the government could embark on radical policies and reform economy.

On the tax of sugary products including sweet drinks, he said whatever accrued from the tax would not go to the Treasury but would be allocated purely for medical to treat diabetes and treatment for sugar-related diseases.

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