

## **Anwar quashes talk of GST's return**

**Malaysiakini**

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Prime Minister Anwar Ibrahim said today the government has never discussed the return of the Goods and Services Tax (GST) as an alternative to subsidy cuts.

At a press conference in Vladivostok, Russia, Anwar, who is also the finance minister, said discussions are focused on budget strategies and ways to increase the government's revenue as it is determined to alleviate the issue of rising costs.

"Nothing specific (on GST) has been discussed. A country cannot be governed based on rumours," he quipped, according to Bernama.

Bloomberg recently reported that Malaysia is weighing the return of a broad-based consumption tax instead of implementing subsidy cuts for a commonly used gasoline as the government seeks to bolster its finances, quoting "people familiar with the matter."

Anwar is in Vladivostok to participate in the 9th Eastern Economic Forum. His two-day working visit to the largest seaport city in Russia's Far East region ends today.

Quoting sources, Bloomberg had quoted “people familiar with the matter” as stating that the cabinet has been discussing the viability of bringing back the tax but no decision has been reached given the political sensitivities, they added.

There is an emerging view in the government that imposing GST may be politically easier than removing subsidies for the popular RON95 petrol since the Southeast Asian country is an oil producer and most Malaysians consider cheap petrol to be a necessity, the people said.

The report said bringing in a consumption tax is a political minefield for governments in Malaysia that have struggled for decades to boost tax collection rates, which are among the lowest in Southeast Asia.

“Passing legislation to reinstate GST is easier with a two-thirds majority in Parliament, which Anwar controls through his coalition, but government lawmakers are more than likely to be against it,” it added.

Former premier Najib Abdul Razak first introduced GST in 2015 at a rate of six percent.

Dr Mahathir Mohamad later repealed GST after Pakatan Harapan won in the 2018 general election.

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