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Parliament passes GST Bill

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Outcome follows heated debate over potential pricing effects

THE contentious Goods and Services Tax (GST) Bill 2014 was passed after two bloc division votes were taken among the MPs.

The Bill, which will pave the way for a 6% tax to be imposed from April 1 next year, was passed following a heated debate among MPs that lasted two days.

In the first bloc division vote, the Bill was passed for second reading after 118 MPs voted in support of it versus 81 who opposed.

No debate was held for the Bill at the third reading or committee stage, prompting the Opposition to request for another bloc division voting to be conducted.

The Bill was passed by the House



At The
Dewan Rakyat
YESTERDAY

Reports by **MARTIN CARVALHO,**
YUEN MEIKING and **L. SUGANYA**

after 119 MPs, including Prime Minister Datuk Seri Najib Tun Razak (BN-Pekan), voted in favour of the law, while the remaining 81 were against it.

During the debate, Deputy Finance Minister Datuk Ahmad Maslan said that a survey had been done by the Government on 689 consumer items

to study the effects of GST on their pricing.

"Only 10% or 73 products will be more expensive, while 48% or 329 will not see any price changes.

"The remaining 287 items or 42% are expected to be cheaper," he said when wrapping up points raised in the debate on the GST Bill.

To a question by Datuk Chua Tee Yong (BN-Labis), Ahmad confirmed that electricity usage of 300KW and below a month would be exempted from the GST.

This is an increase from the proposed 200KW a month.

Replying to Liew Chin Tong (DAP-Kluang), Ahmad said there would be a one-off 1.8% increase in inflation

rate following the GST implementation but prices were expected to stabilise after that.

"We will fight inflation by holding campaigns.

"For those who unreasonably raise prices of goods, we will use the Anti-Profitteering Act and put them behind bars," he warned.

During the bloc division voting, several Opposition MPs held up placards and banners with the words "Tolak GST (Reject GST)".

At the Budget 2014 announcement last year, Najib had said the GST would be imposed at a rate of 6% on selected goods and services, and that it would replace the 10% sales tax and 5% service tax.