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Najib: More GST-exempt items being identified

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Move to ensure tax will not burden the people, says PM

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PUTRAJAYA: The Government is still looking at more items and products that can be exempted from Goods and Services Tax (GST) so as not to unduly burden the people, said Datuk Seri Najib Tun Razak.

"We are looking thoroughly at the items and products that could be exempted or zero-rated without affecting the revenue base expansion.

"This way, together with the steps taken to exclude taxes on essential

items, the introduction of GST will not burden the people," he said at the Prime Minister's Department's monthly assembly here yesterday.

GST will begin on April 1 next year at a fixed rate of 6%, but essential items, such as rice, sugar, salt, piped water supply, public transportation (bus and train fares), health services and expressway toll, are exempted.

Najib also said the GST awareness campaign would have to be intensified to enlighten the people on its rationale and merits so that no one would protest blindly or

object unreasonably.

"As Finance Minister, I know that many are not paying (individual) taxes or are paying less than what they should.

"Some of them, to our naked eyes, look like poor people or earn small salaries, but they can still send their children abroad (at their own expense).

"This means they could have under-declared their income. But this (GST) system is more progressive as it depends on how much our expenses are," he said, adding that 90% of the countries in the world

had found the system effective.

Najib said GST was to help stimulate growth and enable the country to provide more infrastructure and basic needs.

"Tax revenue is required for health care as there is a need to have more hospitals, medical equipment and other urgent needs of the people.

"Adequate revenue is also required to take care of the 1.5 million civil servants, while more expenses are needed for human capital, which is a critical factor in terms of the competitive strength of any country," he said.

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