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PM: No hidden agenda in GST

Funds to benefit people, says Najib

THE Government has assured the people that collections from the Goods and Services Tax (GST) will be returned to them in the form of benefits.

"This is the real intention of the Government and there is no hidden agenda in the collection of GST," Prime Minister Datuk Seri Najib Tun Razak said.

He said that based on calculations, had GST not been implemented and the Government relied on the Sales and Service Tax (SST), government revenue would be lower by RM21bil.

"If SST had been retained, collection would have been only RM18bil, compared with GST revenue of RM39bil," he said.

Najib said the decision to implement GST was right as the global crude oil prices had plunged more than 50% from US\$100 per barrel in 2014.

"The fact is, Petronas contributes a certain amount of dividend to the Treasury each year. The amount is dependent on global crude oil prices," he said.

He added that as oil prices were expected to remain low next year, oil-related revenue was estimated at RM31.7bil.



"Consequently, the fiscal deficit would have increased to 4.8%, and not the targeted 3.1% in 2016.

"If this were to happen, the Government would have been forced to borrow, including to pay civil servants' salaries; the nation's credit rating would be downgraded; and all borrowing costs, including personal loans, business loans and housing loans would definitely be higher," he said.

Najib took a swipe at the Opposition, saying that "those who vehemently oppose GST now have accepted it and even included it in their Budget document".

"This clearly indicates the changing and inconsistent stand of the Opposition," he said.

"As a responsible government, however, we will continue to make the right, though not popular, decisions in the best interest of the rakyat and the nation."

The Government, said Najib, also appreciated the high and encouraging registration and compliance of GST.

"To date, almost 400,000 companies have registered for GST with a submission rate of more than 90%," he said.