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PM: GST saved the economy

Tax helped to cushion impact of falling crude oil prices

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KUALA LUMPUR: The Government has been proven right in implementing the GST although it was an unpopular move, says Datuk Seri Najib Tun Razak.

The public might not have realised it at the time but today, Goods and Services Tax has proven to be a godsend for the economy despite its critics, said the Prime Minister.

He said the Government would have received RM30bil from oil revenue if crude oil prices had not dropped so drastically and the RM21bil received from GST was a blessing that helped with the shortfall.

"The fact is that GST is what saved the economy," he said during the launch of NU Sentral Shopping Centre and Menara 1 Sentrum, which was developed by Pelaburan Hartanah Berhad (PHB).

He pointed out that even the Opposition had indirectly acknowledged GST as the right move by including it in their alternative budget.

Najib, who is also Finance Minister, touched on several initiatives of Budget 2016.

One of them was tax relief of up to RM3,000 for taxpayers who provide for their parents who are above 60 and do not have income exceeding RM2,000 a month.

"With this, we have managed to reduce their taxable income and ease their financial burden," he said.

He said the move also encouraged children to look after their elderly parents rather than leave them in retirement homes.

Najib said the Government had also allocated



Urban projects: Najib being briefed by PHB CEO Datuk Kamalul Arifin Othman during the launch of NU Sentral and Menara 1 Sentrum at KL Sentral, Kuala Lumpur.

RM200mil to help first-time young home owners pay the initial deposit for affordable homes along with RM1.6bil for PR1MA to build similar homes.

He said the Government was also working to

improve the public transportation system so that the public did not need to use their personal vehicles.

This, he said would allow the public to increase their disposable income.