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PM: GST part of 'reform package'

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TRANSFORMATIVE:

Move is part of policies to usher in high-income nation status, says Najib

TASNIM LOKMAN
AND ROSHIDI ABU SAMAH
KUALA LUMPUR
news@nst.com.my



Datuk Seri Najib Razak scrutinising the receipt he received after buying several products at a hypermarket in Kota Damansara. With him is Malaysian Muslim Consumers Association's **Datuk Nadzim Johan**.
Bernama pic

THE Goods and Services Tax (GST), which came into force yesterday, will transform the nation's taxation system into one that is more efficient, effective, transparent and business-friendly.

Prime Minister Datuk Seri Najib Razak said the GST, the biggest tax reform carried out in the nation's history and meant to steer the nation towards high-income nation status, was not designed to burden the people.

He said the GST, which was studied in detail for the past 30 to 35 years before its implementation yesterday, was part of a "reform package" that had earlier seen the reduction in personal income taxes and corporate taxes, as well as the increase in the Bantuan Rakyat Malaysia (BRIM) payout for each household.

"As a result of the study, we decided that the new tax would be structured differently than similar

taxes in other countries. Our GST will exempt many goods and services.

"In fact, it is, arguably, the most complex and multi-layered GST structure in the world, because more than 4,000 goods are GST-exempted and zero-rated," he said at the launch of the World Halal Summit 2015 here yesterday.

Najib, who is also finance minister, later popped in at a hypermarket in Kota Damansara, where he observed how the outlet was implementing the GST, and checked out the prices of goods.

Bernama reported that he picked up a shopping basket, went to the personal care products section and compared prices before selecting a tube of toothpaste.

He also went to the sections for drinks, food and vegetables, and chose a beverage, a loaf of bread and a pineapple.

The prime minister was accompanied by Federation of Malaysian Consumers Associations president Datuk N. Marimuthu, Consumers Association of Penang (CAP) president SM Mohamed Idris and Malaysian Muslim Consumers Association's Datuk Nadzim Johan.

He also took the time to chat with employees of the hypermarket be-

fore heading for the checkout counter. Like most shoppers yesterday, he scrutinised the receipt issued to him for his purchases.

"The receipt stated clearly the standard-rated and zero-rated goods. Good," he said in his tweet, which came attached with the receipt.

In Jasin, Deputy Prime Minister Tan Sri Muhyiddin Yassin said yesterday the government would address all glitches related to the implementation of the GST.

He said some teething problems were expected, despite all efforts by the authorities to ensure the smooth implementation of GST.

"We hope that after some time,

the process will run more smoothly and consumers, in particular, will not find it difficult to understand.

"GST is a more orderly and up-to-date tax system, and is widely implemented in other countries.

"However, unlike other countries, Malaysia has introduced GST-exempted and zero-rated items," he said, adding that the six per cent GST rate was reasonable compared with those imposed in other countries.

Muhyiddin said the supply of essential items in the country was still sufficient, despite panic buying by some consumers prior to the implementation of GST.



GST
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