

Newspaper	THE STAR
Date	07/09/2017

Dr M: Sales tax may replace GST

The Star - 7/9/2017 Pg. 16
Alternative source of revenue needed, says Tun M

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PETALING JAYA: A Pakatan Harapan federal government will need to bring back the sales tax to replace the Goods and Services Tax (GST) which it intends to abolish if it wins the 14th general election (GE14), says its chairman Tun Dr Mahathir Mohamad.

He admitted that removing GST without replacing it with an alternative source of revenue would be "very bad" for the Pakatan Harapan government.

"GST replaced the sales tax, so if we abolish GST, we must restore sales tax.

"If you suddenly abolish and have no source of income, that will be very bad for the Government," he said in a panel discussion with

DAP adviser Lim Kit Siang that was hosted by an online news portal yesterday.

He said this when asked whether Pakatan would abolish GST, which was introduced in April 2015, if it wins in GE14.

Pakatan plans to abolish GST in the first 100 days of taking over Putrajaya.

Barisan Nasional leaders have asked how a Pakatan Harapan federal government intends to make up for the shortfall in revenue if GST is abolished.

Dr Mahathir admitted that Malaysia's revenue was lower during his 22-year tenure as prime minister compared to revenue now.

He was asked about Prime Minister Datuk Seri Najib Tun Razak's remark recently that the

Government would not have enough funds if GST was abolished.

"During my time, companies were not making much money but they are now.

"So, when they make billions in profits now, 26% of the profits belong to the Government.

"The Government should have more money now compared to my time. Why is it that there's so much funds available to the Government but the Government says there's no money and has to impose GST?" Dr Mahathir asked.

Asked whether he and Lim would contest in GE14, Dr Mahathir, who is Parti Pribumi Bersatu Malaysia chairman, said they cannot give an absolute "no" because the need may arise for them to contest.

"However, at the moment, I have no wish to be a candidate again," Dr

Mahathir said.

Lim only replied: "Possible, possible."

Dr Mahathir admitted that the Opposition has problems with PKR, due to its uncertain stance on Pakatan cooperation with PAS in the coming polls.

"We are having a little problem with PKR because (PKR adviser) Datuk Seri Anwar Ibrahim has said that they should continue to speak with PAS," he said in response to a question by a participant on why PKR is sending mixed messages to the public on its stand with the Islamist party.

Dr Mahathir stressed that the Opposition has collectively decided not to collaborate with PAS, saying that an extra party in the Opposition pact would only make seat negotiations even harder.