

# GST is better than SST, says Ismail Sabri

ARGUING that it is more efficient, transparent and fair, the goods and services tax (GST) should be reintroduced to increase national coffers, says Datuk Seri Ismail Sabri Yaakob.

The former prime minister said this would be a better move to boost revenue rather than maintaining the current sales and service tax (SST).

He said the government's plan to raise SST from 6% to 8% was "not the right move" as it would not generate significant revenue while burdening consumers.

The Bera MP argued that GST, which was zero-rated in 2018 by the Pakatan Harapan government, had proven to be superior to SST.

"Although the SST increase does not involve the food sector, it will have a domino effect on other aspects that will influence an

increase in the price of goods, as traders will not absorb the costs.

"It is time for the government to look at re-implementing GST," he said when debating Budget 2024.

Ismail Sabri pointed out that when GST was abolished, the country lost approximately RM20bil to RM30bil annually due to the "black economy".

"Increasing SST by 2% will only provide an additional RM3bil in revenue at best, based on government estimates," he added.

He noted that international audit firm Deloitte has forecast that the SST hike would only generate around RM900mil more in revenue.

"Is this worthwhile, considering what the people will face?" he asked.

Ismail Sabri said with the country expected to face slower growth

prospects next year, reinstating GST would provide a much needed boost to the country's tax revenue to fund development.

In announcing Budget 2024 on Oct 13, Prime Minister Datuk Seri Anwar Ibrahim said the government planned to raise service tax from 6% to 8% but would not include services such as food and beverage, and telecommunications.

Separately, Ismail Sabri questioned the preparedness of the central database system (Padu) that would be used to ensure subsidies were given only to those eligible.

"Is the system ready? Has it been tested? We only have two months left before its launch. The next question is who is eligible for subsidies?" he said.

During his tenure as prime minister, he said, subsidies were

expanded to cover chicken and eggs even though this incurred a big cost.

"Now, even when chicken prices have yet to be floated, there are reports stating prices, have exceeded RM11 per kg. What will happen when the price is floated?" he said.

When tabling Budget 2024, Anwar announced that temporary price controls would be lifted so that the local market could function freely to ensure sufficient supply of chicken and eggs.

He said the government had to fork out RM3.6bil in subsidies when ceiling prices for chicken and eggs were in place.

The Prime Minister however gave assurance that while the prices of the two items would be floated again, any issues involving the goods in the future would be tackled.