

PM: NO GST TILL MINIMUM WAGE RISES

Implementing it now means taxing everyone, including the poor, says Anwar

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Malaysia will consider reintroducing the Goods and Services Tax (GST) only when its minimum wage rises to an acceptable threshold, said Prime Minister Datuk Seri Anwar Ibrahim yesterday.

While acknowledging that the GST was the most transparent and efficient tax system, he said it taxed all levels of society.

"All the big companies want the GST. Please remember, I said 'yes', but let the minimum wage threshold rise first.

"Give it some time to boost the economy, because implementing the GST now means taxing everyone. This is my political philosophy and conscience.

"Is the GST efficient? Yes. Is it transparent? Yes. Will the government get more revenue? Yes. But who are you taxing? Everyone. The rich? Yes. The poor? Yes. I can't do that."

He said this in his speech at the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) 78th Annual General Meeting here.

Present were Deputy Investment, Trade and Industry Minister Liew Chin Tong, Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor president Datuk Ng Yih Pyng and outgoing ACCCIM president Tan Sri Low Kian Chuan.

Anwar said countries that had implemented the GST first raised their minimum wage level.

"Give it some time, maybe a few years, and ensure that the wage threshold increases to RM3,000 or RM4,000. Then we can (gradually) adjust this policy.

"I understand this issue and have studied it for decades.

"The first time that we talked about the GST was when I was the finance minister, and what was my statement then?

"That the GST is the most efficient and transparent system that would be advantageous to the government in terms of revenue collection. I also said back then to give it some time. Push the economy forward, and stop corruption and people taking advantage of the political office."

He said it was necessary to curb corruption of the past to create a fair and equitable economic landscape.

The GST was introduced at six per cent in 2015 under the then prime minister Datuk Seri Najib Razak. It was abolished by the Pakatan Harapan government three years later and replaced with the Sales and Service Tax (SST) at the same rate.

During the tabling of the 2024 Budget, Anwar had announced that the SST rate would be increased to eight per cent, with food, beverages and telecommunications exempted from the hike.

Meanwhile, he said the positive investment outcomes achieved by Malaysia were also due to domestic investment.

"We are fortunate to have foreign investment. However, domestic investment is very high.

"When we say we have achieved good success this year, it's not just because of foreign direct investment, but also because of the growing interest, confidence and commitment from domestic players. Domestic investment has increased phenomenally, and for that, I thank you (the industry players)," he said.

He said all eyes would be on Malaysia soon when it assumed the Asean chair next year.

Malaysia, he said, was scheduled to host significant meets, including the Asean-Gulf Cooperation Council Summit in May, as well as other Asean engagements with the United States, European Union and others.



Datuk Seri
Anwar Ibrahim