

Anwar: GST again only after incomes rise

By ARFA YUNUS

arfayunus@thestar.com.my

PETALING JAYA: The Goods and Services Tax (GST) will only be re-introduced once Malaysia's minimum wage levels rise to a higher threshold, says Datuk Seri Anwar Ibrahim.

The Prime Minister said that the GST would be brought back once the minimum wage reaches between RM3,000 and RM4,000 per month. (Currently, the minimum wage is RM1,500.)

This would ensure that the consumption tax is applied equitably and to prevent the poorest in society from being disproportionately affected, he said.

"Make sure the threshold, the level of income increases, RM3,000 or RM4,000 minimum, then we can gradually impose it,"

Anwar told business leaders at the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) 78th annual general meeting yesterday.

The GST was implemented in April 2015 by a Barisan Nasional administration and set at 6% for all goods and services except for a select handful, but in June 2018, the newly-elected Pakatan Harapan government reduced the rate to zero, effectively ending the tax.

While acknowledging that the GST is an efficient and transparent system, Anwar argued that bringing it back would unfairly burden the nation's lower-income population.

This is since the GST taxes everyone, rich or poor - a scenario he described as inconsistent with his philosophy of fairness.

**"Who are you taxing?
Everyone - the rich and the poor.
I can't (do that)"**

Datuk Seri Anwar Ibrahim

"If you implement GST now, it'll mean you get everybody to pay. Is it efficient? Yes. Is it transparent? Yes. Will it help the government get more revenue? Yes.

"But who are you taxing? Everyone - the rich and the poor. I can't (do that)," he added.

The Prime Minister said while

major companies support the GST due to its efficiency, his priority remains looking after the well-being of ordinary Malaysians.

The government will focus on boosting the economy and increasing income levels first and reintroducing the GST must align with the principles of fairness and justice, he added.

Drawing comparisons with other countries, Anwar said these nations successfully implemented a consumption tax only after ensuring their populations had achieved higher income levels.

He said Malaysia should take a similar approach, allowing time for the economy to strengthen before reintroducing the GST.

In addition to economic growth, Anwar highlighted the

need to address corruption and the misuse of political office before reintroducing the GST.

Reforms would ensure that the system remains fair and just, and that past practices of political corruption do not undermine the country's economic progress, he added.

"Stop corruption, people taking advantage through political office - one party can get RM200mil to RM300mil direct cash into the party. Individuals can buy properties in London, New York, Australia.

"We have to stop these wrongs," he said.

Meanwhile, on the upcoming Budget 2025, Anwar said MSMEs (micro, small and medium enterprises) will be given special attention, as outlined in the Madani economic framework.