

Time Is Now Ripe To Implement GST, Says Economist

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KUALA LUMPUR, June 18 (Bernama) -- The time is ripe for the government to implement the Goods and Services Tax (GST) as part of the move to boost revenue.

Malaysian Rating Corp Bhd Chief Economist Nor Zahidi Alias said while the government is seen to be stepping up implementation of the GST, he suggested complementary measures to protect the low-income earners from its impact.

"Overall, having the GST is good. I think public relations work has to be done a little bit more on GST and the fact that we shouldn't be so idealistic by saying it won't cause inflation. It will.

"I believe that even if there is an uptick in the prices, it won't be that much even if we implement GST," he told reporters on the sidelines of the Perdana Leadership Foundation CEO Forum 2013.

Nor Zahidi cautioned the possible inflation in the initial phase of GST implementation.

"I think that is why the government in the last couple of years came out with the Anti-Profitteering Act to make sure if we were to introduce GST, traders don't take advantage by hiking up prices which they don't need to," he said.

In May, Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said the government would not implement the GST in the near term as it was still studying its implications.

Ahmad Husni said the government was still engaging politicians, the private sector and the people before arriving at a decision.

PricewaterhouseCoopers Taxation Services Sdn Bhd Senior Executive Director Jennifer Chang said all the countries in Asia had implemented GST except Malaysia and Myanmar.

"Why are we not implementing GST? I think it is the very misunderstood taxes. Towards a certain extent, it is the most efficient way of collecting tax because the more you spend, more taxes you pay," she added.

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