

GST Will Have 10 Advantages, Says Ahmad Maslan

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IPOH, April 5 (Bernama) -- The business sector and consumers will enjoy ten advantages with the implementation of the Goods and Services Tax (GST), says Deputy Finance Minister Datuk Ahmad Maslan.

He said among the advantages included an effective, transparent and fair tax structure besides encouraging a shadow economy to be registered under the GST system.

"It is a transparent tax as a business premises can show the tax imposed in the sales invoice while consumers will know exactly how much tax he or she is paying on the goods bought and services rendered," he told reporters after opening the office of international real estate consultants, Rahim & Co, here Saturday.

Ahmad said the other advantages included the marked reduction in red tape and bureaucracy, lower business cost, nil burden on the lower-income, additional revenue for the country and a competitive export sector.

"Exports will be more competitive as there will be no hidden taxes and the cost of doing business will be lower as GST will not be a cost to registered retailers," he said.

Besides, GST can also lead to diversification of income sources other than income tax and petroleum tax.

Ahmad did not deny the fact that products which attract five per cent tax may cost one per cent more after the implementation of GST.

"But, we must know and understand that there are many products now which attract sales tax of ten per cent and that will come down to six per cent when GST is implemented," he added.

Ahmad also said recipients of the 1Malaysia Peoples Aid (BRIM) would receive a one-off payment of RM300 in addition to the BRIM payment to be made next year to cushion the impact of the Consumer Price Index (CPI) of 1.8 per cent.

The implementation of the GST has a direct impact on the CPI which would take six months to stabilise.

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