

Implementation of GST Will Allow Government to Consider Requests of Civil Servants - Najib

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MELAKA, June 21 (Bernama) -- The increase in revenue from the implementation of the Goods and Services Tax (GST) will enable the government to consider numerous demands, including increase in allowances of civil servants.

Prime Minister Datuk Seri Najib Tun Razak said the government needed new additional revenue to meet the demands, and a more transparent and efficient GST system can boost government revenue.

"If the president of Cuepacs (Congress of Unions of Employees in the Public and Civil Services) wants the allowances to be increased, as the Finance Minister, I must look for additional revenue, before I can consider the demands.

"We cannot borrow money from financial institutions such as the World Bank to pay salary, allowances...cannot, it is a recipe for economic disaster," he said in his speech at the 2014 Workers Day gathering at the Melaka International Trade Centre here, Saturday.

He said the rationale for the implementation of the GST must be understood by every strata of society as a system which would be beneficial to the nation and the people.

Najib also stressed that the implementation of the GST was not to burden the people but to strengthen the national revenue which would then be distributed back to them.

"Not all (taxes on) goods will go up, not all (taxes on) services will go up (because of GST) many basic services items will be exempted from GST. This is what we should understand," he said.

The GST, announced by the Prime Minister when tabling the 2014 Budget in Parliament in October last year, would be implemented from April 1, 2015, to replace the sales and services tax.

The new taxation system would impose a tax of six percent compared with the 16

percent under the sales and services tax.

Meanwhile, commenting on the Trans-Pacific Partnership Agreement (TPPA) which the Malaysian Trade Union Congress (MTUC) feared would impact negatively on the national economic growth and workers, Najib said countries which joined TPPA had certain advantages, especially on matters involving investment and marketing.

"Malaysia has no large domestic market like Indonesia or China. We depend on the world market. If we lose our competitiveness, the investment in the country will crash and eventually we will not be able to increase employment or boost the quality of jobs to a higher level," he said adding that he would do the best for the people, and would not make decisions which would sacrifice the interests of the nation.

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