

GST revenue will help cushion oil price collapse, says Najib
Free Malaysia Today
August 23, 2015

Government finances will face pressure from lower Petronas royalties with lower crude prices

KANGAR: Revenue from the Goods and Services Tax will help the country's finances when it faces the prospect of falling oil prices, Prime Minister Najib Razak said here today.

"Fortunately, we have GST, if there was no GST, definitely our finances would be pressured. Pressured because when the oil prices drop, Petronas' dividends will be reduced, royalties will decrease.

"From where will we finance our expenditures," he said, speaking at a party event here.

Najib said the implementation of GST was not to burden the people and he adhered to the principle that (money) from the people, will be returned to the people.

"I have promised to the people that additional (returns from) GST would be reflected in the next budget, in what manner we are going to spend the extra money," he said.

Najib explained, the problem with regard to GST arose when unscrupulous traders took advantage of the situation.

"As Shahidan (Minister in the Prime Minister's Department Shahidan Kassim) said, they are (traders) who added GST but did not not remove SST (Sales and Services Tax)," he said, adding that GST was now implemented in 160 countries.

He urged the public to choose traders who were honest. "We should choose places and traders who sell goods at a reasonable price," he said.

- *BERNAMA*

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Source: <http://www.freemalaysiatoday.com/category/nation/2015/08/23/gst-revenue-will-help-cushion-oil-price-collapse-says-najib/>