

Minister says GST needed to cover growing civil service salaries, pensions – Bernama
The Malaysian Insider
March 28, 2015

The Federal government needs diversified financial resources, including implementing the goods and services tax (GST) to ensure continuous development of the country, said Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed.

He said new financial resources were also needed as the government has to pay for civil servants' salaries and pensions to an increasing number of retirees.

"As for now, our financial resources rely heavily on oil and gas, but we can't continuously depend on this sector, that's why we need the GST as a new source of finance," he told reporters after opening a forum titled "Kelantan's Development Direction in the 11th Malaysia Plan (11MP)" in Kota Baru, today.

He said some might oppose the government's initiative to introduce the GST but they should use the proper channels and not do anything to disrespect the authorities, such as the police or Customs Department.

"The decision (to implement the GST) was not made in a rush, we did the research for over a decade. If the GST is not implemented, how will we pay government staff salaries or pay the pensioners, and how will we develop the rural areas," he said.

Mustapa, who is also the Kelantan Federal Development Action Council chairman, said he hoped that the Federal government will allocate a bigger budget to further develop states lagging behind in terms of development, like Kelantan, in the 11MP.

"We hope that the financial resources are distributed according to the level of achievement in terms of economic growth and poverty rates. We are aware of the fact that Kelantan is under the opposition (PAS), but this does not mean that the rights of the people should be deprived," he said.

Meanwhile, when officiating the Parent-Teacher Association (PTA) annual general meeting at Sekolah Menengah Kebangsaan (SMK) Badak in Bachok, Mustapa urged the state government to enhance its cooperation with the federal government especially in economic development.

He said the cooperation given by the state government to the federal government in handling the flood last December and post-flood recovery was excellent.

Hence, he said he hoped the state government could give similar cooperation in developing the economic sectors in the state. – Bernama, March 28, 2015.

Source:

<http://www.themalaysianinsider.com/malaysia/article/minister-says-gst-needed-to-cover-growing-civil-service-salaries-pensions-b>