

GST fears force another Chinese medicine shop in Penang to close
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Another Chinese medicine shop in Penang is pulling down its shutters for the last time today as its owner "lost heart" to continue the business in view of the expected increase in costs when the goods and services tax (GST) comes into effect tomorrow.

Its owner Lim Guan Cheng, 40, said although the last day of business was supposed to be today, he had not opened his shop in Perkampungan Juru, Bukit Mertajam, for many days since the new year as he had lost interest to continue despite spending seven years learning the trade.

"My shop is not eligible for GST, as my profits never hit RM500,000. But I will have to pay GST when I buy my stock from suppliers.

"I have to bear the tax but I cannot hike up the prices at my shop. How would my customers feel if I do that? They won't be happy and they will take their business somewhere else.

"How can my business survive in the long run like that? I am stuck in between and there is nothing I can do. So I am selling off my business," he told reporters at his shop this morning.

Guan Cheng said even if his business was bigger, he would still have problems understanding how GST worked and also familiarising himself with the computer software, as he had not touched a computer in about 15 years.

He said he was now negotiating with an interested buyer to sell off his business, including the Chinese medicine, herbs and other goods.

Asked what he would do after closing his business, he said he would be working in a factory.

It was reported yesterday that another Chinese medicine shop, Ban Swee Choon in Bukit Mertajam, was closing today after 74 years.

Its 75-year-old owner Yew Chian Hooi said he was not convinced that the consumption tax was a good thing and he could not deal with the hassle of translating the names of over a hundred kinds of Chinese medicine and herbs into English or Malay.

He added that until today, there was no complete clarity on what was taxed and what was exempted from the GST.

North Malaya Patent Medical Herb Dealers Association vice-chairman Eng Ba Hock said the organisation was worried that more of its members might face difficulties

when the GST is implemented.

"Right now, there is still a lot of confusion about the tax. If shop owners find it tough to survive and do business after this, perhaps more will be forced to close.

"We can't tell how many yet at this time," he told The Malaysian Insider today, also noting what had happened to Chian Hooi's business.

Ba Hock said the association, which has over 200 members in the northern region, was well aware of the sentiments of their members regarding the GST.

"During meetings, our members have expressed their worries. Many are unhappy because all Chinese medicines are taxable under GST.

"This will also burden the sick, who needs traditional Chinese remedies to overcome various ailments," he said.

Chief Minister Lim Guan Eng, who had repeatedly urged Putrajaya to postpone, if not scrap, the implementation of the consumption tax, said opposition politicians would continue to highlight how the tax was negatively affecting the people.

"The GST is hurting small and traditional businesses. We have already highlighted cases of business owners closing their shops.

"In cases like this, GST really means 'gasak sampai tutup' (pressured to the point of closure)," he told reporters at Guan Cheng's shop.

Guan Eng said Prime Minister Datuk Seri Najib Razak had said the government would make sure the people would not be burdened by the GST and that no country had given as many zero-rated GST and exemptions as Malaysia.

"But did the PM foresee that implementing GST is causing small businesses to close? Big businesses may be able to spread their costs but what about the small ones?

"Don't just talk. Please act. How will the government help businesses that are under risk of closing because of the tax? Please explain," the DAP leader said, urging Putrajaya not to ignore the sufferings and pleas of the people.

Guan Eng also criticised the GST as a move that "covered up the government's poor administration and failed economic policies" at the expense of the people.

Guan Eng said that even a former senior minister like Tan Sri Rafidah Aziz had criticised the government's current approach in informing the people about the tax and told Putrajaya to get the full list of GST-free items published in every newspaper in the country.

"If a former senior minister of international trade like her cannot fully get it, does the government think ordinary Joes will get it?

"Now we don't even know if the prices of fuel will go up tomorrow," he added. – March 31, 2015.

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