

Prices Down, GST Implementation On Course

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PUTRAJAYA, April 30 (Bernama) -- The implementation of the Goods and Services Tax (GST) which entered its first month today, saw a drop in the price of several types of goods amidst worries among the people of impending price hikes.

It was reported 99 types of goods in Peninsular Malaysia, 145 in Sabah and 102 in Sarawak would have lower prices after the implementation of GST based on an analysis of the National Price Council which made a price comparison between the third week of March and April.

Cheaper items included wet stuff, dried canned and packaged goods and baby food and products.

"Not all goods became more expensive after GST as many thought," said Domestic Trade, Cooperative and Consumerism Ministry (KPDNKK) secretary-general Datuk Seri Alias Ahmad.

He however, did not rule out irresponsible traders taking advantage to raise prices, including those with zero GST.

"There should be no price hike on goods with zero GST and consumers should report if there are such incidents," he said.

On higher price of goods, Alias clarified that some were inevitable due to unfavourable foreign exchange rate, rising costs in the country of origin and the weather.

In this regard, the KPDNKK enforcement is intensifying efforts to ensure compliance to GST regulations and that traders do not take advantage of the situation.

From April 1 to 28, KPDNKK conducted inspections on 182,059 premises nationwide in which action was taken in 510 cases while 729 notices under Section 21 of the Price Control and Anti-Profiteering Act 2011 were issued.

The management of a restaurant in Section 16, Shah Alam became the first to be charged in court over an offence under the Goods and Services Tax (GST) Act 2014.

KPDNKK also provided various channels for consumers to present their complaints on GST via e-aduan, Ez Adu, and through social media such as Facebook and Twitter, or contact the Anti-Profiteering Operation Centre (PGAP).

There were 5,327 complaints received from April 1 to 28 via the various channels.

However, several issues cropped up during the implementation of GST such as phone prepaid cards and the imposition of service charge by hotels and restaurants, as well as handwritten receipts.

Yesterday, the Customs Department and the Communications and Multimedia Commission issued conflicting statements on the status of phone prepaid cards.

Customs director-general Datuk Seri Khazali Ahmad announced that from May 1, phone prepaid cards would revert to its original price before GST but hours later, MCMC chairman Datuk Seri Dr Halim Shafie announced prepaid cards would continue to be sold with six per cent GST.

Nonetheless, Khazali today announced that the decision to maintain GST in prepaid cards from May 1 remained.

On service charge, a committee set up by KPDNKK agreed to allow hotels and restaurants with collective agreement (CA) to impose service charge as practised previously on April 25, even though they are now required to put up a notice on the matter.

Alias said GST implementation in other countries also took time to stabilise in the case of Australia where it was one year while in Singapore, it was eight months.

Malaysia began implementing GST on April 1 at six per cent to replace the Sales and Service Tax (SST) rated at 16 per cent on the overall, to join 169 countries in the world to implement the taxation system.

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