

GST collection will be returned to the people, says Najib
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Collections from the goods and services tax (GST) will be returned to the people and its details tabled in the next budget, said Prime Minister Datuk Seri Najib Razak.

Najib, who is also finance minister, said this way, the people would gain from the 6% tax, introduced as a long-term measure for the good of the economy and the people.

"We have to inform about additional revenue, how we are using it. We are collecting for the benefit of the people, we will return it to the people. These are short-term challenges that must be faced," he said at the Finance Ministry's monthly assembly today.

The GST was implemented on April 1 and replaces the sales and service tax (SST) which was generally at 16%.

On grumblings from the people over the GST implementation, Najib said the authorities must monitor the situation by obtaining public feedback.

"The information is to see if their grumblings have any basis or were caused by certain quarters taking advantage (of the situation) by maintaining the sales prices with an additional 6% even though the SST was abolished.

"Actually when the SST is abolished and replaced by the GST, traders should reduce their prices and add 6%. What happened is, they maintained the prices and added another 6%," said Najib.

He said the government would ask the relevant authorities, particularly the Domestic Trade, Cooperatives and Consumerism Ministry, to launch comprehensive and ongoing enforcement.

The Cabinet also decided that profiteering-related offences (excessive profiteering) needed to be brought to court as soon as possible.

The prime minister expressed hope that all parties would continue to understand the GST as a more efficient and effective tax system that made the country's fiscal financial foundation stronger.

He gave an analogy on the need to take antibiotics instead of choosing an adverse populist path.

"We must take antibiotics until the end to allow our health to recover, we must have success and courage despite being beaten by the waves but the ship must head to its destination," he said. – Bernama, May 19, 2015.

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