

PM Wants Depts To Step Up Enforcement Against GST Abuses
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KUALA LUMPUR, May 27 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak has instructed the relevant departments to step up their enforcement efforts to halt abuses of the Goods and Services Tax (GST) system which harm consumers.

Najib in his latest postings on his website NajibRazak.com said the enforcement efforts also include making sure that any increases introduced by shopkeepers and business owners are in line with the 6.0 per cent GST rate.

"I have been made aware that some unscrupulous businesses, both big and small, are trying to take advantage of the introduction of the GST to increase prices above the six per cent rate.

"This is completely unacceptable," he said.

Responding to criticisms of the GST, Najib said: "I understand that some concerns have been expressed around the introduction of the GST.

"However, as Prime Minister, it is my responsibility to make the right decisions for all Malaysians, even if it can seem difficult at the time."

At the moment, only one in 10 Malaysians pay personal income tax, and it is important that we broaden our tax base for the long-term good of the economy, Najib said, pointing out that 23 per cent of the government's revenue currently comes from oil and gas.

"As we have seen from the recent steep fall in global oil prices, Malaysia cannot sustain its growth and development based on this revenue stream alone.

"This is why we announced a reform of the tax system, with the Goods and Services Tax replacing the Sales and Services Tax," he added.

Najib further explained that the introduction of the GST would help Malaysia build a stronger, more sustainable and transparent economy.

"It would help reduce our deficit, help us invest in our future, and help drive forward our national development," he said.

Unfortunately, rather than seeking to understand the economic rationale and long-term benefit this will bring to the people, some politicians have been attacking the introduction of the GST, portraying it as an unusual and unnecessary measure for a country of Malaysia's size, he added.

The GST is not a new phenomenon as more than 160 countries have already implemented

it, and Malaysia is the eighth ASEAN country to introduce the tax.

Furthermore, the country's 6.0 per cent rate is actually one of the lowest in the world, compared to the Philippines, Cambodia, Vietnam, Laos and Indonesia, which all have a 10 per cent GST rate, Najib said.

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