

Abolishing GST, reinstating fuel subsidies won't affect economy - Daim

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KUALA LUMPUR, May 13 (Bernama) -- The new government under Prime Minister Tun Dr Mahathir Mohamad will ensure that the abolishment of Goods and Services Tax (GST) and the reintroduction of fuel subsidies will not adversely affect the Malaysian economy.

The government's newly set-up Team of Eminent Persons is confident of shelving GST and reinstating fuel subsidies as they have the relevant expertise and experience.

"We have got to analyse GST and fuel subsidies. Once we have removed GST, most importantly we'll get rid of corruption and wastage and become more efficient. We have done it before, (for) 57 years there was no GST.. there was no problem.

"We can handle this. There is no reason why the economy can be at stake and be worse off, don't worry.

"Basically, the fund managers are more worried about GST. They are afraid that the debt would increase. We are not going to increase the debt anymore. We are not stupid.

"This is unnecessary speculation. This is a normal reaction when a new government takes over. How could there be uncertainty as the manifesto is there and everything is there," former finance minister Tun Daim Zainuddin told Bernama after chairing the newly formed Team of Eminent Persons meeting here on Saturday.

Besides Daim, the other members of the five-member team are former Bank Negara Malaysia Governor Tan Sri Zeti Akhtar Aziz, former Petroliam Nasional Bhd President and Chief Executive Officer Tan Sri Mohd Hassan Marican, economist Prof Jomo Kwame

Sundaram, and billionaire Tan Sri Robert Kuok.

Kuok was not present at the meeting as he was abroad.

According to Daim, at present the team would not disclose how the government would mitigate shortfalls arising from the GST abolishment and the reintroduction of fuel subsidies.

He said the team would take pertinent steps to restore the confidence of investors.

"First is GST, then, we will be calling the officers in the ministries to brief us on the mega projects, on national debt, on governance of government-linked companies - Tabung Haji, Mara, Felda , as well as to address the ringgit," he added.

On the probe into 1Malaysia Development Bhd (1MDB), Daim revealed that a special task force would be set up immediately for this purpose under the purview of the Team of Eminent Persons.

The team has already identified those who could assist in the probe and in the recovery of billions of dollars allegedly stolen from the fund, he said, adding that the team would subsequently submit a report to the government.

Solving the 1MDB fiasco was among the promises made by Pakatan Harapan (PH) in its 10-point manifesto during the 14th general election.

The Prime Minister yesterday announced the setting up of the team which, among others, will assist the new government in implementing the pledges that PH promised to fulfilled within its first 100 days in power.

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