

Revenue will not drop if GST removed - Dr M

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13/05/2018

KUALA LUMPUR, May 13 (Bernama) -- Prime Minister Tun Dr Mahathir Mohamad has brushed aside claims that the country's revenue would decrease should the Goods and Services Tax (GST) be abolished.

"The lack of funds in the government is not because of insufficient income, the current (national) income is three times higher than during my time as prime minister (before).

"However, funds were misused. They were used to buy support for (former prime minister) Datuk Seri Najib Tun Razak. This is why we have less money," he said at a briefing session to RTM and Bernama at his residence in Seri Kembangan here today.

Dr Mahathir said that he was confident that the country would have enough money with good financial management.

The government could also reduce its spending by discontinuing or delaying unimportant projects, he said.

In addition, Dr Mahathir also emphasised the importance of increasing purchasing power than raising the salaries of civil servants.

"If we raise salaries but (at the same time) the prices of goods increase, those with the extra income will not be able to live more luxuriously than before.

"That is why we want to look at the effect on cost each time salaries are raised, " he said.

On the price mechanism for fuels, Dr Mahathir said the government would maintain the weekly determination of retail prices of petrol and diesel while studying other mechanisms.

"We (will) look at other mechanisms to determine whether the pricing will be based on global oil prices or our productivity," he added.

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