

Malaysia can meet revenue requirement without GST – Zeti

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KUALA LUMPUR, May 14 (Bernama) -- Malaysia can meet its revenue requirements even after shelving the Goods and Services Tax (GST) by prioritising its projects, increasing the efficiency of the public sector, avoiding wastage and exploring new sources of revenue, says Tan Sri Zeti Akhtar Aziz.

The former Bank Negara governor also expressed her confidence in the country's economy which can be steered towards the right direction and the 100-day time frame is certainly adequate to provide clarity and make necessary adjustments and changes.

"I think that is what the markets want too. They want to see the commitment and the clarity in what is going to be done (by the government)," Zeti told Bernama after attending separate briefing sessions with international credit rating agencies Moody's Investors Service, Standard & Poor's Global Ratings and Fitch Ratings here today.

The first woman governor, who helmed the central bank for 16 years, is a member of the Team of Eminent Persons established by Prime Minister Tun Dr Mahathir Mohamad on Saturday.

Chaired by previous Finance Minister Tun Daim Zainuddin, other members of the team include ex-Petronas President and Chief Executive Officer Tan Sri Mohd Hassan Marican, economist Prof Jomo Kwame Sundaram and billionaire tycoon Tan Sri Robert Kuok.

When asked whether the favourable performance by both the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) and the ringgit today were due to restored confidence in the economy, Zeti noted that in times of uncertainty, there will be some volatility.

As market players see the commitment and capability of organisations like Bank Negara, the Finance Ministry and other agencies in executing necessary reforms, the former central bank governor said: "I believe that there is every potential for us to generate that confidence and we are going into bigger, better and brighter future."

Citing examples of how Malaysia managed to come out from similar situations before, Zeti said prioritising main projects will be the key.

We have done this before during the Prime Minister Tun Dr Mahathir's reign in the mid-1990s.

As the result of the many mega projects, our current account deficit of the balance of payments exceeded 10 per cent of the Gross Domestic Product (GDP) and increased the country's vulnerability.

During that time we advised him to reprioritise the mega projects and stagger their implementation into the future.

Within two years, the current account deficit of the balance of payments improved to 4.6 per cent of GDP against more than 10 per cent previously. We have done it before and we will do it again, she declared.

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