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GST Not A Burden To Low-Income Group, Says Abdul Wahid

PUTRAJAYA, Oct 26 (Bernama) -- The introduction of the Goods and Services Tax (GST) of six per cent will not burden the people, especially the low-income group, said Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar.

Stressing that the introduction of the GST on April 1, 2015 was an appropriate measure, he said the GST of six per cent was the lowest among the Asean member countries including Singapore and Thailand which imposed a GST of seven per cent while other countries imposed between 10 and 12 per cent.

"It will not burden the rakyat, not at all. It (the GST) will replace the existing sales and service tax and the rate of six per cent is appropriate and is the lowest in the South-east Asian region," he said.

He disclosed this to reporters after attending the 'Larian Statistik 2013' or Statistics Run 2013 organised by the Statistics Department, here today.

"For those who are said to be affected, we (the government) also provide financial aid such as the Additional Brim of RM300 when we introduce the GST," he said.

"Secondly, in terms of service tax for the middle-income group, the government will reduce up to three per cent, and thirdly, we (the government) also introduced the personal tax relief of RM2,000, it will reduce the burden. So, we have to look at it in terms of the total package," he said.

Prime Minister Datuk Seri Najib Tun Razak, who is also the Finance Minister, when tabling the 2014 Budget yesterday, described the GST as the best tax system and had been proven to be effective where more than 160 countries had implemented it.

Commenting further, Abdul Wahid said the people or rakyat must be given correct information on the GST.

"There are many incorrect information spread by the opposition. So, I want to ensure that the people obtain accurate information. If we introduce the GST, it is not an additional tax," he said.

He added that the implementation of the GST was also important in reducing the country's deficit from 3.5 per cent in 2014 to three per cent by 2015.

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