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KUALA LUMPUR: A consumer organisation said yesterday the people must be eased into accepting the proposed Goods and Services Tax (GST).

"While I think the move is fair to address a deficit economy, an accelerated implementation of between two and three years may not be a popular move, as many Malaysians think any form of taxation is unfair," said Paul Selva Raj of the Consumer Research and Resource Centre.

He said as such an education campaign is needed to show the mechanism of the taxation which was widely practised in developed countries.

"One pays (tax) based on the quantity or volume of goods and services purchased, whereby the more one consumes the more one pays," Selva Raj said.

Selva Raj said there must be a safety net for the poor on top of not imposing the GST on essential items such as rice, sugar, flour and cooking oil.

Malaysian Association of Hotels vice-president Ivo R. Nekvapil said the tax could impact costs within the hotel industry.

Audit associate Tan Kwang Yoong said the GST would be a burden on the low-income group.

"Rather than implementing the GST, I think the government should raise the sin taxes, especially on gaming, cigarettes and liquor," he said.

Malaysian Trades Union Congress general-secretary G. Rajasekaran said although the GST would be low initially, he believed it would be raised incrementally over the years as was the

case in many countries and this would prove to be a burden in the long run.

"We are very much against it. It will further increase the cost of living."

Rajasekaran said if the GST was to generate revenue for the government, then it should also look at how effectively it managed its tax collection and expenditure.

He said the government should heed the auditor-general's annual reports which had over the years questioned its procurement and expenditure process.

National Union of Bank Employees general secretary, J. Solomon said the GST should be imposed on high-end consumers.

"Then the poor will not suffer," he said, adding that the tax should be accompanied by the scrapping of the sales and service taxes.

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