

Postpone GST reading, says PAS

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SHAH ALAM: PAS wants the government to postpone the second reading of the Goods and Services Tax (GST) Bill in Parliament next month until more study is done on its implementation and possible effects on the poor.

PAS also wants a parliamentary committee to be formed to further study the implementation of GST, party vice-president Datuk Mahfuz Omar said yesterday, adding PAS will send a letter to the finance minister soon on the matter.

"While we welcome any tax reformation in the country, we also feel the tax should not be a burden to the public. We still feel there are still many questions left unanswered on the implementation of GST."

He said under the parliamentary committee, a sub-committee, comprising of consumer associations, goods manufacturers and non-governmental organisations should be formed to get feedback from the public.

"This sub-committee then will pass the information to the main committee and it will give us a clearer picture on things."

Mahfuz, who is also the chairman of the consumer bureau of PAS, also pointed out a clause in the bill which states that the finance

minister is able to re-evaluate the rate of the GST without referring to Parliament.

"We don't agree with this at all as this is dangerous and it will be a burden to the people," he said.

Currently, the government plans to impose a fixed rate of 4%. Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah tabled the GST Bill 2009 for first reading in the Dewan Rakyat last December, and the new tax regime is targeted for implementation in mid-2011.

Mahfuz was speaking after a roundtable discussion on GST with several representatives from Federation of Malaysian Consumers Associations (Fomca), Penang Consumer Association (CAP), various NGOs and academicians.

The Pokok Sena MP questioned the mechanism put in place by the government to ensure the prices of goods will not increase once GST is implemented, and wanted written guarantees.

He said further studies should also be done to draw up a list of essential goods specifically used by low and middle income group before exempting it from GST.

It is reported that the government is looking to exempt essential goods such as agricultural products (paddy and vegetables), basic food (rice, sugar, flour, cooking oil) and fish, meat and chicken from the GST (*see page 10*).

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