

# Treasury quashes rumour on GST hike

**KUALA LUMPUR:** The Government has no intention of increasing the existing 6% Goods and Services Tax (GST) in Budget 2017 which will tabled by Prime Minister Datuk Seri Najib Tun Razak tomorrow.

Second Finance Minister Datuk Johari Abdul Ghani brushed off rumours that the Government would increase the GST by 2%.

"No such thing (hike)," he commented after opening the Seventh Muslim World Biz Exhibition and Conference 2016 here yesterday.

GST was implemented in Malaysia on April 1, 2015.

He reiterated that the current rate was the lowest in Asean.

On the possibility of adding more items to the list of zero-rated and exempted items, Johari also said the government would not make any change to the current list for now despite requests by non-governmental organisations (NGOs).

He said a study by the authorities revealed that around 80-90% of the requested items (to be added to the list of zero rated and exempted items) were mostly used by industries.

He explained that the request to include more items in these categories only focused on consumer goods which industries can claim back via a tax refund.

Touching on the upcoming budget, Johari said it would continue to focus on four core aspects namely cost of living, education, healthcare and housing.

"We have to ensure that every ringgit spent by the government benefits the people and that there is no leakage and wastage of funds," he said.

Johari was also confident the government would be able to achieve a balanced budget by 2020 despite the unforeseen global economic headwinds.— Bernama