KERATAN AKHBAR

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Rafizi says implementing GST is all about timing

Rafizi Ramli was against the GST when it was implemented in 2015. (Bernama pic)

KUALA LUMPUR: Economy minister Rafizi Ramli has acknowledged that the government may implement the goods and services tax (GST) in the future, when the time is right.

Rafizi told a forum organised by a public servant's alumni that the implementation of the consumption tax was a matter of timing and that it must be progressive in nature.

"My view about GST is when the time comes, it's something we have to look at but before that, we have enough avenues for the next 12 to 15 months to fix things which are in our control," he said.

"For example, we (the government) are able to manage our expenditure better this time around."

Prime Minister Anwar Ibrahim previously said reinstating GST is out of the question for now, and that his administration "isn't in a hurry to reinstate the tax" which was abolished in 2018 by the Pakatan Harapan government.

Rafizi himself was previously opposed to the GST when it was implemented during the Najib Razak administration in 2015.

However, he pointed out that GST should not be approached as just a means to increase the government's coffers as it could become "addictive".

Rafizi said the rate of the GST could be easily raised from 5% to 20% if the government did not fix issues surrounding governance, expenditure and efficiency of budgeting.

This, he said, would leave the national budget and public finances in a continuously weak state.

"So, there are a series of things that have to be put in place. Once that is done, the decision to implement GST will be just a question of collection effectiveness," he said, adding that it's not just a means to collect higher tax.