

Headline	Utilities should be exempted from SST hike, says Wee		
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Utilities should be exempted from SST hike, says Wee

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BUKIT MERTAJAM: Water and electricity should be exempted from the two percentage point increase in sales and service tax (SST) just like food and beverages (F&B), parking and telecommunications charges, says Datuk Seri Dr Wee Ka Siong.

The MCA president said the planned hike in SST for both public utilities from the current 6% to 8% would lead to higher costs down the line and eventually increase the financial burden on consumers.

"The exemption is only given to F&B, parking and telecommunications, and only these sectors have been given a waiver.

"But water and electricity are being subjected to an increase," he said.

Every consumer would need to pay, so it would lead to an increase in production costs for manufacturers as well as rentals, as most shops would also be subject to the increase.

"The increase in SST (for water and electricity bills) will cause a cascading effect.

"We should be careful. The best thing is for SST to remain as it is for water and electricity," he told reporters after a Chinese New Year dinner here on Tuesday.

Dr Wee said MCA will continue to speak up for the people.

"Our role as part of the government is to provide checks and balances.

"In a democratic country it is important for the 'wakil rakyat' (people's representatives) to speak up for the people and understand that their grievances need to be conveyed to the authorities," he said.

Citing an example, Dr Wee said the government's recent decision to exempt the traditional and complementary medicine (T&CM) sector from SST was a good move in line with the party's calls.

"On issues like T&CM, we did advise the government that the imposition of 6% GST was (unacceptable).

"Because under the current (legislation), we do not impose SST on western medicine.

"From day one, MCA has had a very strong stand to oppose

imposing SST on TC&M.

"There is no basis for it, more so as the industry is already accepted as part of the (healthcare) system (by) the Health Ministry.

"Finally, the government made the right decision ... we had been waiting for," he said.

Traditional Chinese, Malay and Indian medicine, as well as homeopathy, chiropractic, osteopathy and Islamic practice of medicine are also exempted from SST.

Dr Wee first raised the issue on Dec 29.

The Finance Ministry on Monday announced in a statement that after taking feedback from various parties into account, T&CM practitioners would not be taxed as earlier planned.

On a related matter, Dr Wee

also urged the government to only make announcements after a decision has been finalised, such as the proposed introduction of Malaysia Madani white rice as announced by National Action Council for Cost of Living (Naccol).

Dr Wee said premature announcements would only cause confusion and raise questions among the public.

This came after Naccol said the government would introduce Malaysia Madani white rice priced at RM30 for a 10kg bag in the market from March.

However, Agriculture and Food Security Ministry secretary-general Datuk Lokman Hakim Ali later said the matter would need Cabinet approval.