

Fomca welcomes GST rebate move for prepaid service

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PETALING JAYA: Fomca welcomes Prime Minister Datuk Seri Najib Abdul Razak's recent announcement that from next year, Malaysians who use prepaid service would receive GST rebates equal to the amount paid, credited directly to their prepaid accounts.

Federation of Malaysian Consumer Association (Fomca) secretary-general Datuk Paul Selvaraj expressed his support for the decision but, however, hopes that telecommunication companies (telcos) would absorb the 6% of the Goods and Services Tax (GST).

He said considering most telecommunication companies had announced their positive set of the third quarter financial results, it should be no problem for the telcos to absorb the cost.

It was reported that Maxis Bhd declared a third interim dividend of five sen per share. Its service revenue for the third quarter grew 3.1% to RM2.158 billion from the preceding quarter, led by 6% growth in prepaid and 0.7% in post-paid. Celcom, Digi and Maxis are the three main players with Celcom having 12.34 million subscribers (as at June 30), followed by Maxis (11.95 million revenue generating subscribers) and Digi (11.67 million subscribers) trailing behind.

When GST was first implemented on April 1, prepaid users had to pay an extra 60 sen (GST) for every RM10 top-up. This led to an uproar and later the Customs Department ordered telcos to stick to the old pricing where GST was included in the RM10, and the airtime reduced to RM9.43. This did not go down well with consumers.