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**KEMENTERIAN KEWANGAN MALAYSIA
MINISTRY OF FINANCE MALAYSIA**

FISCAL REFORM INITIATIVE

The fiscal reform initiative is already underway. The shortfall from Goods and Services Tax (GST) which is to be zero-rated effective 1 June 2018 will be cushioned by specific revenue and expenditure measures that shall be announced in due course. The Sales and Services Tax (SST) will be re-introduced. Expenditure reduction will begin with rationalisation, efficiency measures and reduction in wastages. Of significance, oil prices have been higher than the USD52 per barrel estimated for Budget 2018. This provides fiscal buffers for the immediate future. Fiscal responsibility, transparency and governance will be a paramount consideration in rolling-out the fiscal reform.

Ministry of Finance Malaysia

Putrajaya

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