

More skilled workers mean higher tax collection: Lim

KUALA LUMPUR: Raising the number of skilled workers can help the government to increase tax collection to fund rising expenditures, said Deputy Minister of Finance Datuk Donald Lim.

"We need more people to pay taxes for financial growth," he said.

According to Lim, only 1.65 million out of Malaysia's 12.8 million workforce are taxpayers and only 29% are skilled workers.

"To be a developed nation, we need to have minimum 40% skilled labour, therefore we need to train more workers," he said at the opening of Malaysian Financial Planning Council's (MFPC) new secretariat office here yesterday.

He added that the move would not only increase wages for workers and tax collection for the country, but would also fill the gap left by financial experts who have gone to work in countries like Singapore,

Hong Kong and China.

Lim said the country's revenue has been stagnant for the last three to four years with tax collection remaining at RM160 billion per year whereas expenditures have been rising, especially with major projects such as the MRT.

"Bank Negara reported a 75.9% ratio of household debt to GDP in 2011, which is an increase from 2004's ratio of 66.7%. Whilst there is no change in ratio from 2009, it

pays to be proactive in capping this growth," he said.

Lim also lauded MFPC's efforts in upgrading the skills of financial practitioners via various programmes.

MFPC yesterday signed MoUs with UCSI University, UMSLink Sdn Bhd's Centre for Professional Development and Universiti Teknologi Mara (UiTM) for them to offer the Registered Financial Planner (RFP) and Shariah RFP programmes.