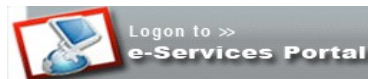


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### Malaysia's tax burden highly competitive

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Malaysia's tax burden at 21% of gross domestic product (GDP) is highly competitive by global standards says, Alvin Tee, Senior Partner of UHY in Malaysia, the local entity of UK-based UHY International, a global accounting and consultancy firm, which studied the tax burden among 23 countries worldwide.

The amount of tax collection in Malaysia is lower than the majority of G8 and BRIC (Brazil, Russia, India, China) nations, according to UHY, which indicated that on average, the G8 and the rapidly-growing "BRIC" nations collect 28 % of GDP in tax.

Russia is the only nation which takes less tax than Malaysia at 19%.

Malaysia collected US\$49.8 billion (RM159 billion) of taxes from GDP of US\$238.8 billion in the latest tax year, of which indirect taxes accounted for US\$6.2 billion and income taxes US\$22.7 billion.

Mexico emerged as the country which collected the lowest amount of tax as a percentage of GDP at 10% while France has the highest quantum at 44% of GDP.

In a press release on the study, John Wolfgang, Chairman of UHY said that generally speaking, the lower tax rate countries are experiencing higher growth, while most of the lower growth countries have higher tax rates.

"High taxes are usually seen as an impediment to economic growth and can be a drag on competitiveness," he said.

Meanwhile, Tee said "It is crucial that Malaysia retains a competitive tax regime if it is to attract foreign investment."

Adapted from NST Business Times 26 June 2012 and UHY website

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