

Malaysia

At RM630b, Malaysia's debt nearly hitting ceiling

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The MOF said the Federal Government's latest debt amount for the year ending December 31 2015 is RM630.5 billion, or 54.5 per cent of the GDP. — Picture by Yusof Mat Isa

KUALA LUMPUR, March 17 — The Ministry of Finance (MOF) disclosed today that the sovereign debt level is at a staggering RM630.5 billion, which stands at 54.5 per cent of Gross Domestic Product (GDP) and very close to the government's self-imposed 55 per cent limit.

"The Federal Government's latest debt amount for the year ending December 31 2015 is RM630.5 billion, or 54.5 per cent of the GDP.

"Of this amount, 96.6 per cent or RM609.1 billion is domestic debt, while RM21.5 billion or 3.4 per cent is offshore debt," the ministry said in its written reply to Parliament.

manageable.

However, the MOF said the debt is still

"The government is committed to ensure that the Federal Government's debts do not exceed 55 per cent of the GDP.

"To ensure the Federal Government's debt limit remains low and managed, fiscal consolidation plans will be continuously executed to reduce the deficit level in phases," it said.

The ministry was responding to Indera Mahkota MP Datuk Fauzi Abdul Rahman who asked the ministry to state Putrajaya's latest debt position and details of any letters of guarantee, letters of support or letters of comfort.

He also asked the ministry to state the ratio of the debt to the country's GDP.

The ministry said that as of last year, Putrajaya gave out RM177.7 billion in government guaranteed loans, mainly to public entities DanaInfra Nasional Bhd and Prasarana Malaysia Bhd to execute infrastructure development projects.

"The federal government also gives loan guarantees to statutory bodies from time to time and state firms, which borrow funds for people-oriented development projects," the ministry said, adding that the guarantee was given under the Loan Guarantees Act (Bodies Corporate) 1965.

On letters of support, the ministry said that it only issued two last year: one for RM12.2 billion and another for RM608 million.

It did not reveal which agencies received the letters, only saying that the repayment of the borrowed sum "is good and on time without any arrears".