

# KL sells RM3b worth of 10-year govt bonds by private placement

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MALAYSIA sold RM3 billion of 10-year government bonds by private placement to domestic investors last Wednesday, figures released by Bank Negara Malaysia yesterday showed.

The sale was half the size the Finance Ministry indicated it would sell when it issued its economic report in September.

The Government is reducing bond sales amid efforts to trim the budget deficit.

Prime Minister Datuk Seri Dr Mahathir Mohamad in September cut his forecast for 2002 estimated budget deficit by a 10th to RM16.8 billion, or 4.7 per cent of gross domestic product. He also said the Government would balance its budget by 2005.

The bond sale completed the Government's planned five auctions for this year. It has raised RM15 billion, or a third less than in 2001, according to Finance Ministry reports. — Bloomberg