

Perilous to ignore Fitch, warns DAP
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Malaysia will only suffer more economic downfall if it does not take the warnings of debt rating agencies seriously, said DAP's Tony Pua.

Expressing concern over recent "arrogant and condescending remarks" in respond to Fitch Rating's downgrade of Malaysia's sovereign debt, Pua said that more downgrades by other agencies - S&P (Standard and Poor's) and Moody's - were on the horizon if no concrete action was taken.

"If (prime minister) Najib (Abdul Razak) does not reform the budgetary process as well as cut wasteful expenditure which are hidden with off-balance sheet loans, then we fear the ultimate consequence of not just a 'negative outlook' but an actual downgrade of our sovereign ratings by all three international rating agencies," he said in a press statement.

"The government's penchant for listening only to the statements of praise, and contempt for those which criticise will only lead to our economic downfall," he warned.

On Thursday, Finance Ministry's secretary-general Mohd Irwan Siregar Abdullah said that Fitch analysts were "young guys" and even jokingly labelled them as "rating analysts from hell."

Pua noted that Fitch has warned about Malaysia's fiscal imprudence since August last year before cutting its ratings on Malaysia's sovereign debt to "negative" last month.

Other agencies such as S&P and Moody's had also issued similar warnings about Malaysia's ballooning debt, although they have maintained ratings for now.

While shrugging off Fitch, Mohd Irwan had praised these two agencies which were considered more "willing to listen" to the government and hence are the "senior fellows."

"Even with these two reports, the secretary-general appears to fail to read between the lines which were consistent with Fitch's statement," said Pua.

He said that the onus is now on the Najib administration to show political will and

act to cut down to cut down Malaysia's real budget deficit, instead of just providing a feel-good statistic that does not incorporate hidden debts.

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