

## **Think-tank: PM's spendthrift ways put country at risk**

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The country has asked for extra money twice in every budget year ever since Najib Abdul Razak took over as prime minister in 2009, said think-tank Political Studies for Change (KPRU).

The consistent habit of over-spending, it said, is putting the country at risk as it juggles a large debt.

"In the context of the country being in deficit for 16 continuous years, the consistent tabling of two supplementary budgets is seen as a pattern of financial management that is risky to the country's financial future," it said in a statement today.

NONEAccording to KPRU, Najib (left) sought additional RM27.3 billion in two supplementary budgets after the 2010 budget and RM23.5 billion and RM28 billion, also in two packages, after the budget in 2011 and 2012 respectively.

The government has tabled its first supplementary budget of RM15 billion for the budget this year and KPRU predicts that a second one will likely follow suit, based on recent precedents.

This, KPRU warned, will not help in reviving the country's credit rating which was in July downgraded by Fitch Ratings to "negative".

'Ballooning debt'

Due to the supplementary budgets, KPRU warned that the actual figures of the country's debt and deficit would be higher than first estimated when the budget is tabled.

According to its calculation, KPRU said the country's deficit will likely hit 5.5 percent of gross domestic product (GDP) compared to an initial estimation of four percent.

"In a Sept 17, 2013 report, Bank of America Merrill Lynch opined that the Malaysian government's debt will likely hit the debt ceiling of 55 percent of GDP.

"The report said the Malaysian government's debt had increased to 53.8 percent in

the first quarter of 2013 and climbed further to 54.6 percent of GDP in the second quarter," it said.

KPRU added that if contingent liabilities amounting to RM147.3 billion up to the second quarter of 2013 were to be factored in, the country's debt will hit 70.2 percent of GDP.

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