

**National debt ratio drops for first time under Najib**  
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The country's debt ratio has dropped for the first time during Prime Minister Najib Abdul Razak's administration, now standing at RM568.9 billion or 52.8 percent of the Gross Domestic Product (GDP) as at June this year.

In a written answer in Parliament to Teresa Kok (DAP-Seputeh), the Finance Ministry said that the country only has "moderate debts" and described the situation as under control.

The new figures are a drop from the debt levels at the end of 2013, when the figures stood at RM547.6 billion, or 54.7 percent of the GDP.

The government's debt-to-GDP ratio had been constantly rising since 2010, inching closer each year to the self-imposed ceiling of 55 percent of the GDP.

Putrajaya has also been on aggressive fiscal consolidation campaign, introducing the goods and services tax and cutting subsidy to control its bottom line.

Paying on time

The debt-to-GDP ratio stood at 51.1 percent in 2010, and had increased consecutively to 51.5 percent, 53.3 percent, and 54.7 percent.

Out of the current debt, 97.1 percent of it were domestic debt while the remaining 2.9 percent were overseas debt.

"Until now, the government had paid back all its debts and its interests according to schedule," the written answer said.

"This is a result of careful management of debts where loans were taken only to fund development expenditure and after taking into account the ability to pay back," it further said.

The ministry also said that the payment of fees for loans are expected to stand at 10.3 percent of the GDP, well below the 15 percent self imposed ceiling for such purposes.

