

Rafizi: 1MDB debts can settle 1.7 million PTPTN student loans

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Pandan MP and PKR vice-president Rafizi Ramli said the debts incurred by 1MDB could have been used to settle 1.7 million National Higher Education Fund Corporation (PTPTN) student loans.

In a statement released today, Rafizi who is also PKR secretary-general, said the present debt of students taking PTPTN loans as of March 31, 2015 is RM13.3 billion involving 1,716,475 students.

“This is based on a reply by Deputy Education Minister P Kamalanathan in Parliament recently. The amount of RM13.3 billion is just a small amount from the RM50 billion which had been placed in 1MDB,” he said.

Rafizi said this in response to Prime Minister Najib Abdul Razak's (photo) speech in New York to Malaysian students that the people must be willing to pay higher income taxes for free education and the move to abolish the PTPTN fund.

"We can reduce PTPTN, we can give free education, but you will have to pay increased income tax. In Scandinavian countries, the top income tax rate is 65 percent.

"You can have a lot of things, but are you willing to pay 65 percent income tax?" Najib asked at a meeting with Malaysian students in New York yesterday.

Various scandals

Rafizi added since BN had governed Putrajaya for two years after the 13th general election, the people had seen various big scandals involving public funds especially 1MDB.

He estimated that 1MDB's debts, taking into consideration of current foreign exchange rates and interest, could now reach RM50 billion.

“The RM50 billion debt would now have to be borne by the government as 1MDB is caught in never ending financial problems.

"If the money had not been channelled out of 1MDB, the allocation given to it is sufficient to provide free education and write off its debt," said the Pandan MP.

Rafizi, who is a proponent for free education up to tertiary level, which is also part of the Pakatan Rakyat manifesto, added that 1MDB's expenditure was RM5.8 billion within a three year period, averaging to RM2 billion annually.

“This is the amount needed to write off all PTPTN study loans (annually),” he said.

Rafizi who had previously proposed various ways to provide free education also called for public universities fees which amount to RM791 million annually to be abolished.

He also called for student allowances to 400,000 public and 150,000 private university students and suggested an allocation of RM2.75 billion a year.

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