

1MDB debt is not gov't debt, says Najib

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Prime Minister Najib Abdul Razak has said that debts accumulated by 1MDB are not considered government debts.

"Debts (accumulated) by 1MDB and their related projects are not classified as federal government debts.

"Therefore, debts accumulated by 1MDB and their related projects do not contribute to government debts," said the finance minister.

Najib said this in a written parliamentary reply to Seputeh MP Teresa Kok, who had asked the finance minister to state the debt-to-GDP ratio for both 2015 and 2016, and also to state the debts contributed by 1MDB and related projects.

1MDB is wholly-owned by Finance Ministry Inc.

According to investigations by the Public Accounts Committee, Putrajaya has [RM20.31 billion at stake](#) in 1MDB.

The PAC said the federal government had committed RM5.8 billion in government-guaranteed loans, RM13.56 billion through letters of support and RM950 million in standby credits.

Letters of support were considered part of government exposure as it states that the government would step in to honour bond payments should 1MDB fail to do so.

Meanwhile, Najib said that as of June 2016, government debt stood at 53.2 percent of GDP, or RM655.7 billion.

He added that during June 2015, government debt stood at 54.2 percent of GDP, or RM627.7 billion.

"The federal government's debt position is manageable and (we are) categorised as a moderate-debt country," said Najib.

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