

Federal government debt hits five-year high
Malaysiakini.com
October 25, 2010

The federal government debt has rose to its highest point in five years and has also surpassed more than half the Gross Domestic Product, the total market value of goods and services in the country.

At the ending of the year 2009, the Auditor-General's Report had found that the debt had increased by RM55.95 billion to RM362.39 billion, marking a 18.3 percent increase from the previous year.

The debt, as compared to the GDP had also stood at 53.7 percent, according to the report released this morning.

A majority of the deficit (96.2 percent) are from domestic debt and denominated in ringgit with the balance in foreign currency, mainly US dollars and Japanese yen.

In contrast, the national debt for the whole of last year stands at RM233.1 billion, making it 34.3 percent of the GDP.

The federal government debt is the internal borrowings of the government within the country. The national debt is when the country borrows from foreign sources.

The federal government debt-to-GDP ratio had averaged 47 percent in the seventies, and exceeded 100 percent in 1986 and 1987 during the financial crisis.

The ratio had then averaged at 42.2 percent from 2000 to 2007.

Prime Minister Najib Razak had previously given an assurance that the country would not go down the Greek path, and that the national debt had actually went down as compared to 2008 when it was RM236.1 billion.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.
Source : <http://www.malaysiakini.com/news/146370>