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# Govt assures RM178b loans for nation's infrastructure jobs

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*Govt will be more vigilant in granting guarantees and will only focus on projects with high economic impact*

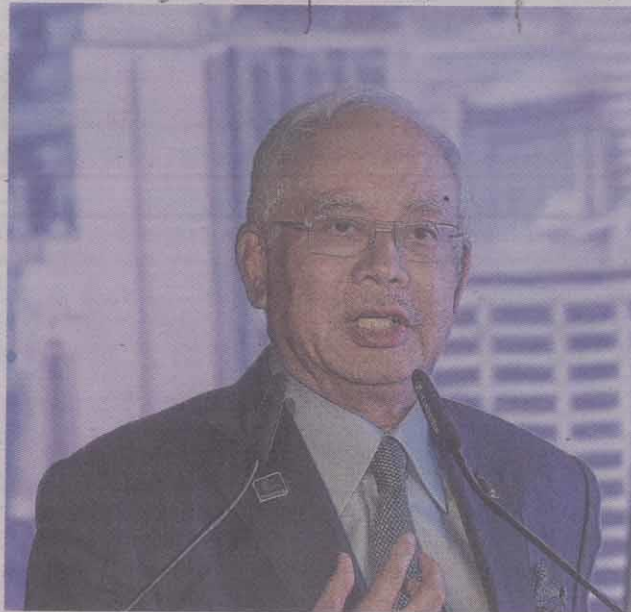
by P PREM KUMAR

THE federal government has guaranteed loans worth RM177.7 billion, or 15.4% of the gross domestic product (GDP), for national infrastructure projects.

Prime Minister Datuk Seri Mohd Najib Razak said the guarantees have been given to state companies namely DanaInfra Nasional Bhd and Prasarana Malaysia Bhd which are funding infrastructure developments and public transport operations.

"The federal government has also from time to time given guarantees to statutory bodies and state firms to borrow to fund development projects.

"The guarantees were granted under the Loan Guarantees Act (Bodies Corporate) 1965," he said in a written par-



Pic by Hafzi Mohamed

**Najib says repayments of all the loans are on a steady progress, following the given schedule and without any arrears**

liamentary reply in Dewan Rakyat yesterday.

Until end of last year, the government had issued two letters of support worth US\$3 billion (RM12.18 billion) and US\$150 million respectively.

Najib added that repayments of all the loans are on a steady progress, following the given schedule and without

any arrears.

Moving forward, Najib said the government will be more vigilant in granting guarantees and will only focus on projects with high economic impact and beneficial to Malaysians.

He said the federal government's sovereign debt level remained at RM630.5 billion as

of end of last year which is 54.5% of the country's GDP.

The figure remains very close to the government's self-imposed 55% limit.

From the total, 96.6% or RM609.1 billion is domestic debt, while RM21.5 billion or 3.4% is offshore debt.

Najib, however, said the debt level is still manageable, and various measures are being taken to ensure the debt will not exceed the 55% ceiling.

"To ensure the federal government's debt limit remains low and managed, fiscal consolidation plans will be continuously executed to reduce the deficit level in phases," he said.

Najib pointed out that the government's fiscal consolidation efforts will reduce the need for the government to borrow and subsequently will reduce the debt level.

"Strict adherence to fiscal disciplines as well as commendable debt management will continue to be emphasised, to ensure our fiscal position and macroeconomic remains strong and would be able to buffer any crisis," he added.