

'Govt needs three years to reduce debt to 54% of GDP'

> More foreign investors interested in M'sia, says Tun M

TOKYO: The government needs three years to reduce the national debt to 54% of gross domestic product (GDP) from 80% currently, Prime Minister Tun Dr Mahathir Mohamad said yesterday.

He said despite various challenges after taking over from the previous administration, the present government had managed to reduce the debt of more than RM1 trillion to its current level.

"We have tough jobs simply because the last government left behind a lot of unpleasant legacies. For example, they borrowed too much money, far beyond the ceiling determined by the government.

"We need to pay our debt and reduce it to a reasonable level so it doesn't swallow up all the revenues that we make in the process of governing the country," he said in a speech during a meeting at the Foreign Correspondents' Club of Japan.

Mahathir is on a three-day working visit to the country.

He said the government was also on the right track to revive the country, based on the nation's growing economy and per capita income.

He said the country had been seeing more foreign investors interested in investing in Malaysia.

"Some foreign investors are pulling out from the stock market but that is alright.

"In any case, many countries are experiencing a problem because of the US-China trade war, (and) we are also affected but not as bad as other countries," Mahathir said,



An employee of the Foreign Correspondents' Club of Japan adjusts Mahathir's headset during a press conference in Tokyo yesterday. - **AFPPIX**

adding that the government would like to bring in more investments.

On the Johor Baru-Singapore Rapid Transit System Link project, he said the government will conduct a six-month study to determine whether it would be beneficial to the country.

"The previous government entered into some kind of agreement on several projects in Malaysia.

"We feel that the contracts were overpriced and there was some evidence of corruption and we decided long before we became the government to do away with the projects.

"However, doing away with the projects or cancelling them would involve very high compensation."

Mahathir said the present government has decided to reduce the cost of the projects and renegotiate terms with the contractors.

He cited the East Coast Rail Link, where the government managed to slash RM21 billion from the original cost.

"Now, we also have other projects which we may have to either delay or reduce the scope or the cost. This is what we are doing, but we are doing it through negotiations."

According to Bernama, he said Malaysia needs two years to decide on the Kuala Lumpur-Singapore High-Speed Rail project.

"These are being settled amicably between the Malaysian government and the contractors of the previous government."