

PM: Urgent need to address RM1.5 trillion national debt

PUTRAJAYA: The national debt, including liabilities, has reached RM1.5 trillion and must be addressed urgently, said Prime Minister Datuk Seri Anwar Ibrahim.

The amount is more than 80 per cent of the country's gross domestic product (GDP). The figure suggests that Malaysia's budget deficit will widen further than the earlier estimate of 5.8 per cent of the GDP for 2022.

"Economic uncertainties are not easing. The economy is still dim and is being affected by external factors, including the Ukraine-Russia conflict as well as global recovery post-Covid.

"The problem is our debt has reached RM1.2 trillion. If we include liabilities, it is RM1.5 trillion.

"We have to accept this reality. We cannot feel complacent, living with the culture of contentment as if there is no problem," Anwar said at the 2023 Budget Dialogue here yesterday.

Present were deputy finance ministers Datuk Seri Ahmad Maslan and Steven Sim and Treas-



Civil servants at the 2023 Budget Dialogue in Putrajaya yesterday. PIC BY AIZUDDIN SAAD

sury deputy secretary-general Datuk Johan Mahmood Merican.

The new 2023 Budget is expected to be tabled in Parliament on Feb 24.

The 2023 Budget, with an allocation of RM372.3 billion, was presented on Oct 7 by then finance minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz. It was not approved due to the dissolution of Parliament three days later.

Anwar had said the government would look at proposals in the budget tabled by the previous government and make changes before tabling his government's budget.

Later, Economy Minister Rafizi Ramli said a three-pronged approach would be taken to strengthen Malaysia's fiscal position to address the RM1.5 trillion debt.

He said the government could

take several strategies he outlined when he was made a minister.

He said in the short term, measures could focus on getting the most out of every single government expenditure.

"We can ensure project delivery and costs in every government project is maximised. This way, we save money by ensuring leakages do not occur."

Rafizi said this would not be enough as government revenue needs to be increased.

"Several things and policies are being considered, but it will take a while before their impact will be seen.

"There needs to be a balance between growth of these sectors, while ensuring that they are protected."

He said the third strategy was to immediately restructure the nation's economy.

"When the people's income rises, it contributes to the nation's revenue. It's clear what needs to be done, but it has to be done in stages."

At the 2023 Budget Dialogue

here yesterday, Anwar also said the government would focus on the services sector, including green technology, digital economy and small- and medium-sized enterprises (SMEs), in the 2023 Budget.

He said government policies should focus on improving the capacity of SMEs as they have high potential and involve a large number of workers.

"Let's not feel lethargic due to the slow economy. Malaysia should not be discouraged by global economic uncertainty, but should instead explore new fields, such as the green economy and digital economy.

"Our approach so far has not focused on SMEs, the backbone of the national economy."

He said he was taking a realistic approach to the national budget by taking into account the economic situation as well as political views.

"If there is a need for change, we will do it because the mandate given is a mandate to bring change."