

# 'National debt to go down to RM86bil'

## PM: Short-term measure needed to boost M'sia's financial capacity and stability

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**KUALA LUMPUR:** Malaysia is aiming to reduce its national debt to RM86bil this year as a short-term measure to boost its financial capacity and stability, says Datuk Seri Anwar Ibrahim.

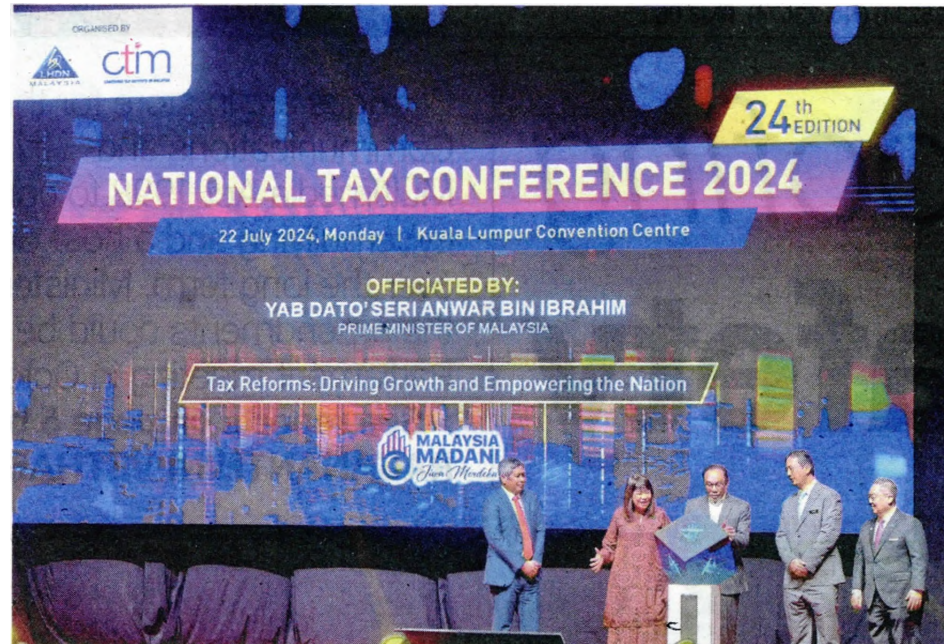
The Prime Minister said in 2021 and 2022, the country's borrowing stood at RM100bil before it was gradually reduced.

"The amount was reduced to RM93bil in 2023 and we aim to further reduce it to RM86bil this year.

"However, we need to further reduce it, and if it is done drastically, we cannot continue with our development agenda," he said in his opening speech at the National Tax Conference 2024 at the Kuala Lumpur Convention Centre yesterday.

Also present were Deputy Finance Minister Lim Hui Ying and Inland Revenue Board (LHDN) chief executive officer Datuk Dr Abu Tariq Jamaluddin.

Anwar said the government was taking prudent steps and stressed the importance of plugging potential financial leakages.



Citing the payment of RM48bil in debts incurred by 1Malaysia Development Bhd last year as an example, he said the money could have been better used for other purposes to benefit the people.

"Imagine if we can spend the RM48bil for the development of schools, clinics, universities and

salary adjustments," said Anwar.

The Prime Minister said Malaysia aimed to reduce its fiscal deficit target to 4.3% this year, adding that the country needed to be managed well, which is crucial for economic growth.

"In 2023, the deficit dropped from 5.6% to 5%. It was a chal-

lenging effort.

"In 2024, we are projecting a further decrease from 5% last year to 4.3%. There must be no leakages or misappropriation or the rakyat and the country will suffer," he said.

As Prime Minister, Anwar said he could not simply make any

decisions as he was bound by certain agreements made by the previous administrations.

"I must honour prior decisions. Therefore, when making choices with my colleagues, I must consider not only current circumstances but also future impacts on the administration and the next generation.

"The government's current debt-to-gross domestic product (GDP) ratio stands at 64%.

"That is too high and it has exceeded the limit," he said.

If this irresponsible policy continues, he said, Malaysia would not achieve the level of investment the country was receiving now, such as the projected GDP growth in the second quarter of 2024, which is 5.8%.

Meanwhile, when asked if he had any target to boost national revenue, Anwar told reporters after the event that he would leave the matter to LHDN.

"It is up to LHDN but I want those who are supposed to pay, to pay, regardless if they are rich or a billionaire, I do not care.

"LHDN must have a more firm action to ensure those who are supposed to pay, will pay," he said.

### Finance talk:

(From left) Abu Tariq, Lim, Anwar, treasury secretary general Datuk Johan Mahmood Merican and Chartered Tax Institute of Malaysia president Soh Lian Seng during the launch of National Tax conference 2024 at Kuala Lumpur Convention Centre in Kuala Lumpur.  
- RAJA FAISAL HISHAN/The Star