

MISLEADING PERCEPTION

'GOVT DEBT INCREASE NOT FROM NEW LOANS'

Anwar says Madani govt has reduced borrowings; debt burden mainly from past administrations

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MALAYSIA'S growing debt burden stems primarily from obligations inherited from past administrations, not fresh borrowings under the Madani government.

When tabling the 13th Malaysia Plan (13MP) in the Dewan Negara yesterday, Prime Minister Datuk Seri Anwar Ibrahim rejected claims that his administration was piling on new debt, adding that records showed reductions in borrowing alongside a narrowing fiscal deficit.

"As long as there is a deficit, the country's total debt will continue to rise. But the perception that this is something new is misleading. Much of it comes from obligations left behind by others before us. "This is not about new borrowing. Under the Madani government, annual borrowings have been reduced from RM100 billion to RM90 billion, RM80 billion or even RM70 billion. The overall debt continues to grow because of interest on legacy loans, not because of reckless new borrowing."

He said figures were often misrepresented, but the government would uphold transparency.

"Whatever numbers are presented, they are used to spin a narrative. But what matters is speaking the truth with fairness and not being careless in our words. National debates must be mature, calm, transparent and responsible, not driven by emotion or baseless accusations."

Under the 13MP, the government has pledged to reduce the fiscal deficit to below three per cent in five years, while capping national debt at 60 per cent of the gross domestic product (GDP).

Other targets include raising gross national income per capita to RM77,200, surpassing the high-income threshold, and achieving annual GDP growth of 4.5 to 5.5 per cent, supported by domestic demand, private investment and consumption.

Anwar said the labour market was projected to reach full employment by 2030, while employee compensation was targeted to reach 40 per cent of GDP to ensure fairer wealth distribution.

Exports were expected to grow by 5.8 per cent annually, with continued momentum in the services, manufacturing and construction sectors.

Anwar said government aid and assistance were channelled based on need rather than race.

"For the poor in the Indian community, assistance is given just as we help the poor among the Malays, who still make up the majority of the poor in the country."

"But it is wrong to stir division by suggesting that one group receives while others are left out. That creates a false perception."

He cited targeted initiatives such as financing guarantees for Bumiputera entrepreneurs, small and medium enterprise support for the Chinese community and housing and financial aid for the Indian community.

Nationwide programmes, including Sumbangan Tunai Rahmah (STR) and Sumbangan Asas Rahmah (Sara), were distributed inclusively, with nearly 57 per cent of recipients being Malay, 7.57 per cent Sabah Bumiputera and 6.23 per cent Sarawak Bumiputera.

The Indian community also received RM972 million through STR and Sara and RM2.5 billion in housing guarantees.

"What matters is that support is channelled according to real needs. We must avoid divisive rhetoric and focus on strengthening the economy together."

Anwar, who is also finance minister, outlined nine key thrusts of the 13MP, including human-centred Madani social empowerment, cost-of-living relief, equitable economic distribution, education recovery and housing, regional and rural development, building high-growth and high-value industries, advancing artificial intelligence and enhancing transparency and agility in government services.

The Dewan Rakyat passed the 13MP without amendments on Aug 21 following eight days of debate. It was first tabled on July 31.