

# PM: Govt debt under control, loans used for development

**KUALA LUMPUR:** Government debt is under control and loans are channelled towards development rather than operating expenditures, says Datuk Seri Anwar Ibrahim.

Responding to concerns over the national debt, the Prime Minister said while borrowings were necessary, they must be responsibly managed, with a clear focus on long-term infrastructure and social development.

“As long as we run a deficit, debt will continue to grow. That’s why our strategy is to reduce the deficit gradually,” he said in response to Datuk Iskandar Dzulkarnain Abdul Khalid (PN-Kuala Kangsar), who asked if the government was managing

debt responsibly given its recent increase.

Anwar acknowledged that Malaysia’s debt had grown in line with past deficits but said this trend is being reversed.

“As we approach the third year of this administration, our commitment to fiscal reform has led to a consistent reduction in the deficit, from 6.4% in 2021 to 5.5% in 2022, 5% in 2023, and an estimated 4.1% in 2024,” he said during the Prime Minister’s Question Time.

The Prime Minister said narrowing the deficit has enabled the government to reduce its annual borrowings from RM100bil in 2021 to RM99bil in 2022 and RM92.6bil in 2023. For 2024, it

will further be decreased to RM76.8bil.

The government, he said, is committed to reducing the deficit in stages to avoid disrupting essential public spending.

“If we cut too abruptly, critical sectors such as education, the Sumbangan Tunai Rahmah (STR), and healthcare would suffer,” he said.

Anwar also dismissed the Opposition’s claim that the 13th Malaysia Plan (13MP) has overlooked development for bumiputra, pointing to the Bumiputra Economic Transformation Plan 2035 (PuTERA35) as a key component of 13MP, underscoring the government’s dedication to bumiputra initiatives.

“We need to study the Plan thoroughly. Otherwise, there’s a misconception that funds are only for Chinese new villages and not bumiputra. Clearly, critics haven’t read it,” he said in response to allegations by Datuk Awang Solahuddin Hashim (PN-Pendang) that the 13MP favours Chinese new villages over bumiputra development.

The Prime Minister also questioned the double standards shown by critics who were silent when opposition-led states raised water tariffs, adding that the Federal Government had no objection to the increases, as there were valid reasons behind them.

“Perlis, Kedah, Kelantan, and

Terengganu raised tariffs, but because these are opposition-led states, no one makes a fuss. If it had been the Federal Government raising tariffs, we would be harshly criticised,” he said.

The Prime Minister also told Opposition lawmakers to set aside their differences and start negotiations with the government over MP allocations.

He said while Deputy Prime Minister Datuk Seri Fadillah Yusof is ready to hear the Opposition, there must be a consensus among them first.