

# 1MDB remains largest liability of nation: PM

> 'Debt has reached almost RM50 billion, RM42 billion paid by govt'

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**PETALING JAYA:** Prime Minister Datuk Seri Anwar Ibrahim revealed that 1Malaysia Development Berhad (1MDB) remains the single largest outstanding liability in the country's debt profile, amounting to RM34 billion.

"The largest debt remains 1MDB, inherited since 2018, amounting to RM34 billion, alongside RM17 billion in interest commitments.

"Therefore, 1MDB debt has reached almost RM50 billion. What has been paid by the government so far amounts to RM42 billion.

"This includes principal and interest. But *Alhamdulillah*, we have also managed to recover funds.

"RM29 billion has been financed due to the efforts of all agencies involved," Anwar told Parliament yesterday.

He added that the recovered funds reflected coordinated action across agencies, but the remaining liabilities were still significant.

"The National Governance, Integrity and Anti-Corruption Centre, Finance Ministry and the Malaysian Anti-Corruption Commission have collectively recovered the

RM29 billion mentioned earlier."

He said however, the statutory debt of Malaysia remains within legal limits at 64% of gross domestic product (GDP), rejecting claims that national borrowings exceeded the 65% ceiling as misinformation driven by "manipulated statistics."

"External debts are also under control. Our external exposure is now RM22.4 billion, below the 35% threshold set.

"Treasury bills also remain below the limit. Currently they stand at RM4 billion while our ceiling is RM10 billion."

He was responding to Bangi MP Syahredzan Johan, who asked for the latest national debt position, the principles of the government in reducing new borrowings and its strategy for ensuring long-term debt and fiscal deficit reduction.

Earlier, Anwar said Malaysia's broader fiscal position has shown improvement following the introduction of the Public Finance and Fiscal Responsibility Act, which sets a medium-term target of reducing the national deficit to 3% and the debt-to-GDP ratio to 60%.

"The deficit level has clearly decreased. As I mentioned during the budget campaign, it has come down to 5% in 2023, 4.1% in 2024, and 3.8% in 2025.

"And our projections show that it would continue to decline. There has also been confusion, which I have clarified, regarding the total debt.

"New debt amounted to RM100 billion in 2021, now it is about RM75 billion.

"That is the rate of reduction. Therefore, as we can see, the deficit statement recorded up to the end of September (2025) results in a

federal debt of RM1.315 trillion."

Responding to Syahredzan's follow-up question on claims that debt levels had exceeded the legal ceiling, Anwar said such assertions were based on distorted interpretations of the figures.

"Yes, these figures are being spun. Statistics cannot lie, but there are situations (in which) statistics could be manipulated to deceive.

"Therefore, I want to emphasise what statutory debt means. It is defined clearly in our law. Statutory debt refers to the total domestic borrowings and does not include our small external debt or treasury bills.

"There is a reduction in this figure because the key is lowering it without creating a burden on the people. This is a decision we must make."

He added that while reducing new borrowings remained a priority, it had to be balanced with ongoing development commitments.

"Could we reduce it to RM20 billion next year? Yes, but then state governments must not ask for reductions. The reduction must still allow us to implement essential development projects. Flood mitigation, basic infrastructure, education, healthcare and others, these must continue.

"So I do not think this matter should cause confusion. When our deficit projections decrease, it means our debt obligations would also decline."

Anwar said government projections showed debt pressure would plateau by 2027 to 2028 and begin to decline starting late 2028 to 2029 if current fiscal measures continue consistently.