

PUTRAJAYA: Prime Minister Datuk Seri Anwar Ibrahim said the government has succeeded in reducing the annual debt to RM77 billion in 2024 from RM99 billion in 2022.

This fulfils the commitment of more prudent fiscal management, and only the interest payments on old debts have not yet been reduced, he said.

"The new debt that the government has incurred (was) RM99 billion in 2022, dropping to RM93 billion in 2023 and in 2024 the total is RM77 billion ... that is less.

"They say the total amount (of debt) is more, added with the old debt and the interest that we have to pay, but I said the government promised to reduce new debt, we have fulfilled that.

"But what is being spread around ... we are increasing (the debt), so it is as if we are deceiving the people. If you look at these figures, who is deceiving?" he asked when speaking at the Prime Minister's Department monthly assembly here yesterday.

Anwar, who is also the finance minister, said annual new debt had been successfully reduced in line with the reduction in the

Govt successful in reducing new debt: Anwar

THE SUN

22 JUL 2025

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➤ Prudent fiscal management has brought amount down to RM77 billion in 2024, from RM99 billion in 2022

deficit, while giving the commitment that the government would reduce the fiscal deficit in stages and responsibly without affecting national development.

He said the government had reduced the country's fiscal deficit from 5.5% in 2022 to 4.1% in 2024, with a target of 3.8% for this year.

The government has chosen a "gradual" approach so that deficit reduction does not sacrifice development needs and market confidence.

Anwar said the move was in line with economic principles that emphasise financial discipline in the economic management of an entity, including the country.

"We took over in 2022, the fiscal deficit at that time was 5.5%. What is a deficit? It means that spending exceeds national income, which means we are in debt.

"We manage the national economy like a household economy. If the income is RM5,000

but the expenditure is RM7,000, that is a deficit.

So now we are reducing the expenditure to RM6,500, RM6,000, RM5,500. If it drops suddenly, then (development) cannot proceed," he said.

The prime minister praised the work of the civil service team who carried out their responsibilities so that Malaysia jumped 11 places in the IMD World Competitiveness Ranking 2025, to 23rd compared to 2024 (34th), driven by improved economic performance and administrative efficiency.

In June, the Ministry of Investment, Trade and Industry announced that Malaysia had jumped 11 places in the World Competitiveness Ranking 2025 to 23rd place, which is the country's best

achievement since 2020, thus reflecting the progressive momentum in the country's economic recovery and reform agenda.

Miti said the rise of the country is on track to be among the 12 most competitive economies before 2033, as targeted by the Madani Economy Framework.

Anwar said the International Monetary Fund in its Article IV consultation for 2025 had praised Malaysia's commitment in implementing fiscal reforms including the Public Finance and Fiscal Responsibility Act.

"What does that mean? It means the Finance Minister has handed over some of his powers to parliament to assess if the target has been met," he said. **Bernama**