

National debt in 2010 at RM407b, says government audit
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KUALA LUMPUR, Oct 24 — Malaysia's national debt rose by 12.3 per cent to over RM407 billion last year, according to the Auditor-General's report released today.

Although the economy grew by 7.2 per cent in 2010, last year's fiscal deficit maintained public debt at over 50 per cent of GDP for the second year running.

The Auditor-General said in the report that the government owed 53.1 per cent of GDP, slightly down from 53.7 per cent last year.

"The ratio of the federal government debt to GDP at the end of 2010 is 53.1 per cent, over 50 per cent for the second year running," Tan Sri Ambrin Buang (picture) wrote.

The audit report stated public debt from domestic sources rose by RM41.76 billion to RM390.36 billion while loans from foreign sources rose to RM16.75 billion, up RM2.96 billion.

The Loan (Local) and Government Investment Acts set a domestic debt ceiling of 55 per cent for the government while the External Loans Act 1963 limits foreign loan exposure to RM35 billion.

Putrajaya's domestic debt level at the end of 2010 stands at 51 per cent of GDP, according to the audit figures.

The government has tried to rein in the budget deficit from a two-decade high of over 7 per cent in 2009 with Budget 2012 forecasting a 4.7 deficit.

But the opposition has called for bigger cuts to public spending, pointing to a central bank report that said the national debt as of June 30 had risen to RM437 billion with domestic debt amounting to RM421 billion and foreign debt at RM16 billion.

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