

**M'sia's Debts At Manageable Level, Says Daim
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KUALA LUMPUR, March 5 (Bernama) -- Claims by certain quarters that Malaysia will be bankrupt by 2020 are baseless as the country's debt rate is still at a manageable level, says former finance minister Tun Daim Zainuddin.

Moreover, the government's borrowings were from domestic financial sources, he said.

"These form of borrowings are more stable as they did not expose Malaysia to a sudden outflow of huge amount of capital," said Daim, who was also financial adviser to the Malaysian Government in the 1990s.

Though the country's debt is expected to increase by 1.3 per cent to 54.8 per cent of the national gross domestic product this year vis-a-vis 53.1 per cent in 2010, the increase was justified with the impact of the global financial crisis which started at end-2008, he said in his interview with Mingguan Malaysia Sunday.

"The latest increase in the national debt is caused by the sluggish world economy and the huge subsidy needed to tide over with the spiralling food prices and energy tariffs," he said.

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