

Annulling PTPTN debt will only cost RM25b, says Rafizi
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SHAH ALAM, April 11 — Abolishing the Higher Education Corporations Loan Fund (PTPTN) and wiping out student debt under the scheme will cost under RM25 billion and not RM44 billion as claimed by the government, PKR said yesterday.

Party strategic director Rafizi Ramli said the RM43.6 billion figure quoted by the prime minister represented all approved loans and not the real amount disbursed.

This was because not all students whose loan applications were approved actually used the facility, he pointed out.

“Don’t try to confuse people... The prime minister was clearly [misleading] when he said RM43.6 billion,” he said at a forum on PTPTN at Quality Hotel here.

Rafizi estimated that a total of RM27.5 billion in loans have been disbursed as of 2011 based on the RM24.9 billion given out as at end-2010, and that this amount would be reduced to RM24.7 billion after last year’s repayments.

He described this as a manageable sum that can be covered by the government via phased repayments over the next decade or so.

“We can issue bonds for the RM24.7 billion... There are plenty of mechanisms and choices available to the government.

“We can refinance. It’s not a problem to repay the RM24.7 billion over a period of 10 years,” he said, stressing that getting rid of PTPTN did not mean “emptying out the bank accounts tomorrow”.

PTPTN loans could also be paid off using state oil firm Petronas’s contributions to the government’s coffers, which totalled about RM60 billion per year, Rafizi said.

He said if only RM2 billion from Petronas was set aside every year to pay for the loans owed to the government, these can be settled in about a decade also.

“Within 10 years, we can pay the RM24 billion. Simple. RM2 billion from RM60 billion is about three per cent... It’s no problem whatsoever,” he said.

“RM2 billion, in the grand scheme of things financially, is very small. The numbers strengthen the moral case against BN (Barisan Nasional) who have refused to wipe out the RM24 billion.”

Those who have already repaid a portion of their loans will also be given a partial rebate, the percentage of which can be fixed at a later stage, Rafizi added.

But he noted that even if every sen had to be repaid it would only amount to RM2.8 billion,

which is how much has been paid back to PTPTN since the fund's inception in 1997.

The opposition Pakatan Rakyat (PR) pact has pledged to provide free education to all eligible Malaysians should they come to federal power and has also promised to abolish PTPTN.

The Najib administration, however, has charged that such a policy will bankrupt the nation.

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