

Parliament: Malaysian Government Has Fully Repaid World Bank Loans
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KUALA LUMPUR, April 9 (Bernama) -- The government has fully repaid the loans taken from the World Bank, while a major portion of loans from the Asian Development Bank (ADB) has also been settled.

Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said the government had borrowed US\$2.646 billion from the World Bank from 1965 to 1999 and the loans were fully settled by 2011.

"Loans amounting to US\$1.285 billion from the ADB were obtained between 1968 and 2002, with the outstanding balance as in December 2011, at US\$124 million," he said in reply to a question from Alexander Nanta Linggi (BN-Kapit) in the Dewan Rakyat today.

Ahmad Husni said the loans from the World Bank and ADB between 1965 and 2002 totalled US\$3.931 billion and were only acquired after considering the government's capacity to pay back.

"The government continues to be committed to repaying the (ADB) loans according to the set schedule," he said, adding that the government did not borrow from the International Monetary Fund (IMF).

Ahmad Husni said the loans were obtained only for financing various projects to eradicate poverty and to raise the people's standard of living.

"The full settlement of the World Bank loans shows that the government is prudent in managing its debts."

He said major portions of the World Bank and ADB loans were used to finance rural development projects including agriculture development, forestry, developing land schemes such as Felcra's, water supply, drainage and irrigation, educational and health facilities, micro credit schemes and loans for food production.

They were also used to finance urban transportation development, telecommunications, road and highway projects, he said.

"These projects have contributed much to poverty-eradication, raising incomes, developing rural infrastructure, education and public health," he added.

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