

Government's Pragmatic Moves Can Cut Deficit - Treasury

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PUTRAJAYA, April 24 (Bernama) -- Malaysia is well-placed to reduce its government debt by means of pragmatic deficit reduction strategies, said Treasury Secretary-General Datuk Seri Dr Mohd Irwan Serigar Abdullah. He said the Barisan Nasional administration led by Datuk Seri Najib Tun Razak reduced the fiscal deficit to 4.5 per cent of Gross Domestic Product (GDP) in 2012, beating the earlier target of 4.8 per cent. "We (the government) achieved better results by reducing the deficit to 4.5 per cent. "We will make sure this (the deficit) will continue to go down and the national debt is always below 55 per cent of GDP," he told reporters after the soft launch of the Global Entrepreneurship Summit 2013 in Putrajaya, Wednesday.

In 2011, the country's fiscal deficit declined to five per cent of GDP, from 5.6 per cent in 2010, and is targeted to contract further to 4.0 per cent this year and to 3.0 per cent by 2015. Asked how the government could achieve even greater deficit reduction, he said the government is committed to raising the nation's total revenue, supported by higher tax collections by the Inland Revenue Board, with last year's collection the highest ever at RM125 billion, up from RM109.674 billion in 2011. Mohd Irwan Serigar said the government will also reduce costs by cutting government spending. "We do a public expenditure review, with the government and its agencies performing value management to ensure prudent and reasonable spending, as part of efforts to achieve the target by 2015," he added.

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