

**Putrajaya must count off-balance-sheet-funding as official debt, says DAP**  
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**BY MUZLIZA MUSTAFA**

The DAP wants Putrajaya to come clean on its total debt, saying today Putrajaya has been understating its total debt by not officially counting "off-balance-sheet-funding".

DAP secretary-general Lim Guan Eng said the Finance Ministry must come clean on the matter as loans guaranteed by the Federal government has caused Fitch Ratings to revise Malaysia's credit outlook from "stable" to "negative".

"The Malaysian government understates the federal government's total debt obligations by not officially counting the "off-balance-sheet-funding" as Federal Government debt.

"If both official government debt and government guaranteed debt are added together, our federal government total debt to GDP ratio will be 70% and not its claimed debt of 54%, which is illegal as it is above the statutory limit of 55%," Lim said in a statement issued in Kuala Lumpur today.

He pointed out that Fitch has questioned the use of "off-balance-sheet-funding" through guaranteed government debt of almost RM150 billion, that has increased the official government debt of RM502 billion to RM650 billion at end 2012.

Fitch negative credit outlook on Malaysia may impact negatively on Malaysia in the form of higher costs of borrowings and cause a higher inflationary effect.

Lim said Putrajaya should explain benefits of 1Malaysia Development Bhd's (1MDB) RM38.4 billion borrowings, saying it had only helped to raise the federal government debt to 70% of the Gross Domestic Product (GDP).

1MDB is a government strategic development company set up to drive strategic initiatives for long-term economic development for the country by forging global partnerships and promoting foreign direct investment.

It focuses on strategic development projects in the areas of energy, real estate, tourism and agribusiness. – September 2, 2013.

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