

## **Malaysia's external debt tripled to RM740 billion last year**

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**By Eileen Ng**

Malaysia's external debts grew by more than three-fold in less than a year, from RM196 billion at the end of 2013 to a whopping RM740.7 billion in the third quarter of last year.

In a written reply to William Leong (PKR - Selayang), Finance Minister Datuk Seri Najib Razak attributed the spike to "new definitions" for external debts in 2014.

Almost two-thirds of the increase was due to foreigners holding on to Malaysian bonds, now considered as part of the external debts.

Leong warned that this is the scenario currently taking place with debt-laden 1Malaysia Development Berhad (1MDB) where a huge chunk of its RM42 billion debt is allegedly being held by foreigners.

"This is where firms such as 1MDB fall under, and this huge external debt represents such companies having debts with foreigners," he said at the Parliament lobby today.

Najib also said as of December 2014, the country's debts stood at RM582.8 billion, or 54.5% of the gross domestic product (GDP).

Of the total, 97.1% or RM566.1 billion is domestic debt, while the balance of RM16.8 billion or 2.9% are offshore loans.

"The federal government's debt position remains manageable and (is) categorised as a moderate-indebtedness country," he said.

He said Putrajaya remained committed to ensuring its debts did not exceed 55% of the GDP. Fiscal consolidation steps would continue to be taken to reduce the deficit. –  
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