

**Putrajaya 'circumventing laws' with debt support letters, says PKR**  
**The Malaysian Insider**  
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**By Ram Anand**

The government is "circumventing laws" to obtain more financing outside of the federal budget, PKR said today following Putrajaya's statement that it had guaranteed RM172 billion of debts as of 2014.

PKR Secretary-General Rafizi Ramli said that the government was trying to find ways to "navigate through financial restrictions".

He was referring to the government's issuance of support letters for some debts, which are not included in contingent liabilities and are considered off budget. This and the amount of RM172 billion were revealed earlier in a parliamentary written reply to the Finance Ministry.

"They have basically exhausted their own debt limit," he said.

The national debt stands at 51% of the gross domestic product (GDP), lingering close to the self imposed ceiling of 55%.

Rafizi also warned that rating agencies might downgrade Malaysia's credit ratings as guarantee letter liabilities were now included as part of a country's debts.

"International regulations on what is government debt have changed, which means contingent liabilities would be part of the debt," he said.

"This means Malaysia's debt will be higher now than what is listed as the national debt," he added.

The guarantee letter is listed as contingent liabilities while support letters were not listed in the government's liabilities. – June 18, 2015.

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