

Putrajaya has guaranteed debts of RM172 billion, says Najib
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Putrajaya has guaranteed debts of RM172 billion as of the end of 2014, of which the majority are guarantees for public entities to conduct infrastructure projects.

In a parliamentary written reply, Finance Minister Datuk Seri Najib Razak said the RM172 billion comprised 14.7% of gross domestic product (GDP).

"The guarantee is mostly given to public entities to implement infrastructure projects like DanaInfra and Prasana which are involved in construction of infrastructure and public transport operations respectively," he told Datuk Fauzi Abdul Rahman (PKR-Indera Mahkota).

He said the guarantee was given under the Loans Guarantee (Bodies Corporate) Act 1965.

He also said the federal government, from time to time, gave guarantees to statutory bodies and government companies to fund development projects.

Najib, who is the prime minister, said a letter of support was issued by the government as of the end of last year for US\$3 billion and that to date, repayment was made according to schedule.

He said Putrajaya's debts as of March this year stood at RM596.8 billion or 51% of GDP.

Of the amount, 97% or RM579.2 billion is domestic debt, while the balance 3% or RM17.6 billion is offshore loans.

"The federal government's debt is manageable and is categorised as an average debt nation."

He reiterated Putrajaya's commitment to maintain its debt status to no more than 55% of GDP, adding that the current administration would continue with fiscal consolidation measures to reduce the fiscal deficit in stages. – June 18, 2015.

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