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KUALA LUMPUR, Nov 2 -- The government is expected to issue RM14.2 billion worth of gross direct debt, and will redeem RM21.6 billion of it over the final two months of this year, said the Ministry of Finance today.

Therefore, the net direct debt issuance for the period will be -RM7.4 billion, said its minister, Lim Guan Eng, in a statement released here.

He pointed out the government's financing activities were proceeding as planned, as demonstrated by the actual issuance and redemption of its direct debt.

The latest full-year plan estimates that the government will raise RM135 billion worth of gross direct debt, and redeem RM83 billion, and as a result, the net direct debt to be raised for the whole of 2019 is estimated to be RM52 billion.

"The government has no intention to change its direct debt issuance and redemption plan for the rest of the year. Hence, the government is confident of meeting its 2019 fiscal deficit target of RM52 billion or 3.4 per cent of gross domestic product (GDP), which is lower than the 2018 fiscal deficit of RM53.4 billion or 3.7 per cent of GDP," he said.

This confidence is shared by all the top three credit rating agencies, which have affirmed Malaysia's sovereign credit rating high at A- or A3 with a stable outlook since the new Pakatan Harapan government took over in 2018.

Meanwhile, for the January-October 2019 period, the government has raised RM121 billion worth of gross direct debt, comprising RM51.5 billion via Malaysian Government Securities; Malaysian Government Investment Issues (RM50.5 billion); Treasury bills (RM11.5 billion); and RM7.5 billion worth of other instruments including the Samurai bond.

At the same time, RM61.7 billion worth of direct debt has been redeemed during the same period and specifically for the month of October 2019, the government has issued RM10.0 billion worth of direct debt.

"The government has also redeemed RM11.8 billion worth of direct debt. Thus, the net direct debt issued in October 2019 was -RM1.8 billion. Those claiming otherwise show that they are either serial liars, ignorant or unable to read financial data accurately," said Lim.

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