



SIARAN MEDIA

KEMENTERIAN KEWANGAN MALAYSIA

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THE PAKATAN HARAPAN-LED FEDERAL GOVERNMENT HAS NEVER BORROWED TO PAY THE SALARIES OF ITS CIVIL SERVANTS UNLIKE THE KELANTAN STATE GOVERNMENT, AND THIS HAS BEEN PROVEN BY THE REAFFIRMATION OF MALAYSIA'S SOVEREIGN CREDIT RATINGS AT A3 OR A- WITH A STABLE OUTLOOK

The Pakatan Harapan-led Federal Government has never borrowed to pay its civil servants' salaries unlike the Kelantan state government. This has been proven by the reaffirmation of Malaysia's sovereign credit ratings at A3 or A- with a stable outlook. Should the Federal Government borrow to pay the salaries of its civil servants, this would inevitably lead to an immediate credit rating downgrade.

Let me reiterate unequivocally that the Government has sufficient funds to pay our civil servants and will never borrow to do so.

Furthermore, the Government is on target to cut its fiscal deficit from 3.7% of GDP in 2018 to 3.4% this year. All borrowings raised by the Government are to finance the fiscal deficit and all development expenditures, as had been done under previous administrations. None of the borrowings are utilised for operational expenditure, like the payment of salaries.

Datuk Seri Mohamad Hassan's false casual allegation can be disproved easily

However, during the Negeri Sembilan budget debate in the state assembly on Monday 25 November 2019, Datuk Seri Mohamad Hassan casually made an irresponsible allegation that the Federal Government borrowed money to pay the salaries of its civil servants.

His statement is false and can be disproved easily.

In the third quarter of 2019, the Government's emoluments was RM19.9 billion. In comparison, the Government's total revenue for the same quarter was RM68.8 billion. This means the Government's revenue was more than 3 times the size of its emoluments.

Table 1 compares the Government's quarterly revenue and emoluments since the second quarter of 2018. It highlights the fact that the Government's revenue is consistently and significantly bigger than its emoluments.

Table 1: The Government's quarterly revenue and emoluments

Quarter	Total revenue (RM billion)	Emoluments (RM billion)	Revenue/Emoluments (times)
2Q 2018	52.5	19.9	2.6
3Q 2018	58.9	19.6	3.0
4Q 2018	67.2	20.4	3.3
1Q 2019	63.7	19.3	3.3
2Q 2019	62.1	20.6	3.0
3Q 2019	68.8	19.9	3.5

These numbers are regularly updated and disclosed publicly. The latest figures have been published by the Treasury on page 8 of the Quarterly Malaysian Economic Update. The report is readily available at the Treasury's website <https://www.treasury.gov.my/index.php/en/economy/quarterly-malaysianeconomic.html>.
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The Federal Government is capable of paying its civil servants and meeting its other financial obligations, unlike the situation faced by the Kelantan state government. The Ministry of Finance on 14 October 2019 has approved the state government's request for an advance worth RM100 million to assist Kelantan with its operational expenditure, including the payment of salaries until the end of 2019. Last year in 2018, the Federal Government agreed to advance the Kelantan state government RM91.5 million for the same purpose. Clearly Datuk Seri Mohamad Hassan has pointed to the wrong target and should be referring to the Kelantan state government instead of the Federal Government.

Sayangi Malaysiaku!

Lim Guan Eng

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