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BASU-ABDULLAH

SMOOTH LEADERSHIP TRANSITION IN M'SIA CONDUCIVE FOR GENERATING GROWTH

By: Wan Nurzila Wan Abdul Rahman

KUALA LUMPUR, Nov 7 (Bernama) -- With the country's corporate debt restructured, banking system's health restored and road-map for political transition ready, Malaysia is poised to benefit from a steady acceleration in pent-up domestic and external demand, says a noted economist.

PK Basu, chief economist (South East Asia) of Credit Suisse First Boston, has acknowledged the fact that the smooth transition of leadership from the present Malaysian leader, Datuk Seri Dr Mahathir Mohamad, to his successor, Datuk Seri Abdullah Ahmad Badawi, due later next year, was one of the elements to ensure future growth.

Dr Mahathir's succession plan calls for his deputy, Abdullah, to succeed the premiership in October 2003.

In an "Emerging Markets Economic Research" report entitled, "Malaysia: Restructured and Readying for the Post-Mahathir Era", Basu said internal democracy in Umno had ensured smooth transitions of power in the past and would likely to do so again.

"These mechanisms should assure another smooth transition this time - especially as Abdullah has established himself as a virtually unchallenged successor."

With a reputation for honesty and competence, where he is also labelled as Mr Nice Guy and Mr Clean in Malaysian politics, Abdullah's succession to prime ministership should ensure stability to the country and a return to relatively more orthodox policies, Basu opined.

The future prime minister, he said, had demonstrated his competence in each of the ministries he had headed, starting with education, defence, foreign minister, home minister and deputy prime minister.

"We believe that he will provide straight-forward, competent and honest government - a solid medium-term positive for market-perceptions about Malaysia," Basu said.

He said although honest, competent and staid were the words that came immediately to mind when describing Abdullah, his history of not bending with the political wind was the basis of his continuing popularity within Umno and among the Malaysian electorate.

"The fact that challengers are now only focused on the deputy presidency that (Abdullah) Badawi will vacate shows the strong hold the 63-year-old Badawi now has on the party.

"His leadership has also been enthusiastically endorsed by Barisan Nasional - and we believe he will almost certainly be prime minister in and after October 2003."

Abdullah, said Basu, won kudos for the mature manner in which he took charge of matters after pandemonium broke out at the last Umno general assembly when Dr Mahathir first announced his intention to leave office.

"This measured demenaour and ability to handle pressure are seen as Abdullah's greatest personal strengths. We expect he will be a steady hand at the wheels, predictable and orthodox - just what the doctor ordered as a successor to the visionary leader who has pulled Malaysia by the boot-straps from being a primary commodity exporting backwater to a middle-income exporter of diversified manufacturers aided by first-world infrastructure.

"We liken (Abdullah) Badawi's succession to that of a Major succeeding a Thatcher, Bush succeeding Reagan or Goh Chok Tong succeeding Lee Kuan Yew - providing relatively staid continuity after the exhilarating (if

occasionally choppy) years with a visionary (like Dr Mahathir) at the
helm." -- BERNAMA
WNZ SHY