

**Will the voters be forgiving?**  
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Prime Minister Abdullah Ahmad Badawi was in an upbeat mood, contemplating the date for the next general election. But he has been rudely reminded that the worst is far from over.

His current woes on the economy are no where near comfort zone. Worse still, he is now confronted with an even more agonising and unending revelation of corruption in his government.

His excitement over the economy took a blow when his economic spin doctors massaging good numbers of a trillion ringgit total trade, increasing foreign reserves, strengthening ringgit and increasing foreign direct investments (FDI) were challenged. The FDI numbers were quizzed by a contradictory report from the United Nations Conference on Trade and Development (UNCTAD). International Trade and Industry Minister Rafidah Aziz earlier announced that FDI had surged to a record high in 2006, noting that 'approved' FDI for the manufacturing sector was at a record RM20.2 billion (US\$5.7 billion).

In the UNCTAD Investment Brief (2007), Malaysia's FDI (actual inflow cf approved) for 2006 was estimated around US\$3.9 as compared to US\$4.0 in 2005 and US\$4.6 in 2004. Rafidah's claim that Malaysia continues to be attractive as a manufacturing and export base, doesn't speak well of the actual situation.

The same report said Thailand attracted USD\$7.9 billion, while India and Singapore enticed USD\$9.5 billion and USD\$31.9 billion respectively. For the record, Asia is still the top target for FDI in the developing world, attracting a total of US\$230 billion.

For all our much hyped 'competitiveness', we actually had a meager 1.7% of the total FDI for Asia.

### **Bleak scenario**

The premier's bullishness over the performance of the Bursa Malaysia was also short-lived. The Kuala Lumpur Composite Index (KLCI) went into a tailspin from 1,272.87 on Feb 27 to 1164.68 on March 2, wiping out a whopping RM97.58 billion in market capitalisation.

Thanks to Abdullah's 'unsolicited investment advice'. He had predicted that the KLCI could surpass the 1,350-point by the year end. Lured by the premier's novice advice, many small investors actually got badly burnt.

But ironically many would recall that it was none other than the boss of the Malaysian Institute of Economic Research (MIER) who went as far as instigating the premier to call for the dissolution of the Parliament. He alleged that the economy was at its best.

When has the head of the MIER appointed a political analyst? His audacious attempt

at political prophecy is surely to be marveled. Quite oblivious of its impact, he had actually committed a great disservice to his political master.

The writer's perusal of current literature has it that recession is probable by the year end in the US economy as predicted by Allan Span (former US Federal Reserve). China is talking about curbing its over-bullish stock market. Investors (esp hedge fund managers) may embark on the unwinding of their yen 'carry trade' as Japan may decide to end their zero-rate policy which amounts to US\$1 trillion. This could adversely affect the global financial markets. (carry trade - buying in Japan's yen because of their zero interest rate and investing in other currencies and higher yielding assets and earning through it spread).

These are scary scenarios that may have a negative impact on the Malaysian economy. Bleak though it may seem for the time being, waiting much longer, doesn't help the premier either.

### **Corruption allegations**

As if these were not sufficient to shake his confidence for a 'fanshui' date for the elections, he was slapped with the allegation against his director-general of the Anti-Corruption Agency (ACA), Zulkipli Mat Noor on accounts of corruption and sexual crimes.

His party and bureaucracy have been under serious strain as a result of the many abuses and corrupt practices, but this is undoubtedly the most menacing and catastrophic to the integrity of his entire government.

No amount of spin from Johan Jafaar's Debat Perdana could offset the damage. The ACA is the watchdog and icon of integrity, the primary institution charged with combating corruption in the public sector.

Thanks to the good work of the Movement for Democracy and Anti-Corruption (Gerak) who had exposed the report, containing the allegations, penned by former Sabah ACA chief Mohamad Ramli Manan last year.

Gerak chairperson Ezam Mohd Noor insisted on the establishment of an independent committee to probe the allegations. Both the president of the Bar Council and president of Transparency International- Malaysia, however opined that the police should be allowed to carry out a full investigation first.

The writer having met the complainant, Mohamad Ramli Manan, believes that there are merits to Ezam's suggestion. Letters to the then inspector-general police and to the attorney-general were to of no avail. What is puzzling, is that the police findings in 1997, which supposedly cleared Zulkipli of the sexual crime and assault charges, were never revealed to the public.

Be that as it may, like the judiciary, the ACA is deserving of a leadership with an impeccable reputation. While not wanting to be prejudicial to ex-police officers, it would be pertinent to have established academics, top civil servants or jurists helm the agency. Ideally, the ACA must be directly placed under the Parliament.

And just when the premier thought the worst was over, another allegation of

corruption was exposed. This time, it was his deputy in the Internal Security Ministry, Mohd Johari Baharum.

Johari had been accused of accepting more than RM5.5 millions in bribes to free several criminal suspects detained under the Emergency Ordinance.

### **What about ...?**

At this juncture, it dawns upon me that all the 'revelations' might very well be my 'blind spot'. For all the predicaments apparently tormenting the premier, it's nonetheless the work of his spin doctors to betray the premier's earnestness and resolute stance against corruption.

Some may have to fall on their own swords – the sacrificial lambs of sort.

In 2001, Abdullah wanted the electorates to support him for his 'war against corruption' and Islam Hadhari. They agreed and gave him a thumping victory. After three years, he can neither show-case his success on Islam nor brag of his efforts against corruption.

His lackadaisical attitude in combating corruption is amply testified by the National Integrity Plan and its institute. It was launched in April 2004 and after all the rhetoric, nothing has been done. It's now March 2007!

Given the last leg of his term, he is desperate to vindicate his claims, deliver his promises and placate his critiques. But what about the 18 high-profile cases exposed by Dr Rais Yatim at the start of his premiership? What about the RM540million paid to a third party in the procurement of the RM 4.1 billion submarines? What about the long list of rent-seeking or crony practices that privileged a few Umnoputras?

What about the excesses of purchasing the new airbus jetliner for RM200 million when the overburdened rakyat were denied of RM104 million for textbook loan for their children and all? What about the inflation in literally everything that matters most to the rakyat as a result of reckless policies in increasing petrol and diesel prices? What about the tariff hikes in utilities and the toll? What about...? What about...?

Will the rakyat and voters be forgiving in the next elections? I rest my case.

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