

## **Najib's dilemma - GE in 2011 or 2012?**

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ANALYSIS With the plunge in the Malaysian stock market over the past week, triggered by the downgrading of the United States' credit rating, eyes are now on Prime Minister Najib Abdul Razak on whether he will call for his first general election at the year's end as speculated previously.

The commentators have reached a consensus that Najib (right) is now clearly caught in a dilemma as the prevailing political and economic developments are not in his favour, but there is no guarantee either that the future will be any brighter.

As PAS Kuala Selangor MP Dzulkefly Ahmad put it, the BN chief is now "between a rock and a hard place".

The guessing game started last year when political observers speculated that the ruling coalition may call for snap polls in 2011, its confidence fed by a series of by-election triumphs.

The bet is now on November, and if Parliament is still not dissolved by then, the best time for BN would be March 2012 and thereafter as Malaysians will be preoccupied with the opening of new school term and Chinese New Year celebrations in January and February.

Some commentators believe that the prime minister can afford to delay the polls in hope that the situation will turn in his favour, especially given that his term expires only in May 2013.

### **Bad times for middle class**

Below are some of the reasons why he should adopt a wait-and-see approach:

- \* The slowdown in United States economy, coupled with the downgrade of its credit rating, and the Eurozone debt crisis, have had a severe impact on global stock markets, including Bursa Malaysia which lost over RM65 billion last Friday;

- \* It is expected that the market will still be in volatile mood for some prolonged spell of time, seriously shrinking the pockets of the middle class;

- \* Although China and India have become more prominent in recent years, both US and Europe are still Malaysia's major trading partners;

- \* This might lead to a drop in exports, especially in the electronic and electrical sector pulling down national growth in third and the following quarters, missing the 6% annual growth target;

- \* The government's high-handed approach in dealing with the Bersih gathering has irked the public, especially the urban and Chinese voters;

- \* Some Umno leaders have apparently distanced themselves from Najib, especially in the dealing with the Bersih gathering, leading to claims by opposition leaders and media that there are undercurrents swirling within the party pressuring him to step down.

- \* Besides, the prime minister's wife Rosmah Mansor has also faced a series of allegations with the latest being the RM24 million diamond ring; and,

- \* Although some claim that Malaysia is now in a tight financial position, others point to our debt level which at about 55% of GDP is still manageable compared to other countries and there is no rush for the federal government to hold the general election this year so that austerity measures such as subsidy rationalisation can be introduced.

## **No need for finger in air**

However, there are also political observers who think that the Parliament will still be dissolved in November this year, paving the way for the polls.

Their grounds are:

- \* Goodies have been distributed on the ground, including Monday's announcement by the prime minister that civil servants would enjoy half-month bonus or at least RM500;

- \* The tide has turned in the BN's favour after the recent raid by Selangor Islamic Religious Department (Jais) on Damansara Utama Methodist Church's premises, sparking a controversy that reflected badly on the Pakatan;

- \* The world economy might worsen next year as the slowdown in US and Eurozone will probably continue for more than a year and the market is also anxious about China's rising inflation. This might result in the world economy being trapped in "stagnation";

- \* In addition, Malaysia inflation might also be on the uptrend caused by the shortage in food supply, while the price of commodities such as palm oil and rubber are falling due to the global economic slowdown. This will severely impact on the rural areas, which are seen as the BN's strongholds; and,

- \* The federal government has relied on public spending and the government-linked companies to boost the economy and they might be short of bullets if the election is postponed to next year. Moreover, it is being pressured by the market to implement a series of austerity measures including subsidy rationalisation and Goods and Services Tax (GST).

## **Will Najib survive after GE13?**

Kuala Lumpur Selangor Chinese Assembly Hall chief executive Tang Ah Chai told Malaysiakini that Najib is facing a tough choice posed by a plethora of internal and external challenges.

"Inside, Najib has to consider about Umno and the BN; outside, he has to consider the impact of various issues including Bersih. More importantly, the economy is out of his control.

"On top of that, the impact of US (crisis) is immediately felt in Malaysia," he explained.

What might be more important for Najib is the BN's chance to grab back the parliamentary two-thirds majority, which will consolidate his position as prime minister.

Political commentators had in fact pointed out that the two-thirds majority is his key performance index (KPI) in the coming general election, failing which it would sound the death knell to his political career.

"If he cannot grab back the two-third majority, it would be seen as a defeat," said political analyst Ong Kian Ming (left).

He said Najib might then follow the footsteps of his predecessor Abdullah Badawi in resigning under pressure, especially from his deputy Muhyiddin Yassin.

If this the case, Najib will have the dubious honour of being the shortest term premier, having taken the helm on April 3, 2009.

Many political commentators believe that the next polls will probably maintain the status quo with Pakatan maintaining its strength in the opposition, although the number of seats it wins may vary.

### **Minor differences in GE results predicted**

BN and Pakatan won 140 and 82 seats respectively in the last polls and Ong said the next one might only see a "plus or minus five seats" difference compared to 2008's.

While Malay votes had swung back to BN in the by-elections, he thought some of them, especially those in urban areas, have returned to Pakatan after the Bersih gathering.

PKR strategy director Rafizi Ramli conceded that Pakatan will face a tough fight in Malay and rural constituencies due to the racial line adopted by Umno.

However, he said the situation is not the same across the country because Pakatan has in fact enjoyed higher support of 47 percent to 60 percent in some areas, including Penang and Kedah.

He pointed out that the Malay community was also hard pressed by rising inflation and cost of living, and Umno will be definitely affected.

"(But) I don't think there will be a Malay tsunami for Pakatan."

Dzukefly said his gut feeling indicated that the prime minister would be unlikely to call an election this year.

"If he thought that opposition is caught by the Jais issue, he might want to (hold the election) now. But he has to do it straightaway - in September. But in general, I don't think he feels comfortable."

"My tip is Sabah and Sarawak are not comfortable either with the current situation. All these are pertinent factors."