

Najib looks set to ride out political crisis

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Trinna Leong, Reuters

The future looked dark for Malaysian Prime Minister Najib Abdul Razak last month when it was reported that investigators probing alleged mismanagement at state fund 1MDB had traced a payment of nearly US\$700 million to a bank account under his name.

Yet Najib has not only survived the political crisis so far, he has tightened his grip on power through a series of deft steps to sideline would-be dissenters.

“Najib, it appears, has indeed emerged from the eye of the storm,” said Oh Ei Sun, senior fellow at the S Rajaratnam School of International Studies.

“He is now attempting to consolidate his power both within his party and among the general public and the society,” he added.

Najib has consistently denied taking any money for personal gain.

In response to Reuters questions, a government spokesperson said: “The attacks on 1MDB began out of political motivation, and the ultimate aim is to remove Malaysia’s democratically elected government.”

“However, the prime minister answers to the people, not to certain individuals who use lies, smears and criminal leaks to try and topple him for personal gain, not Malaysia’s gain.”

The 62-year-old leader is still in a tougher spot than at any time since he took office in 2009.

The prime minister’s fiercest critic, former leader Mahathir Mohamad, accused him on Monday of choosing to “subvert the institutions of government and make them instruments for sustaining himself”.

1MDB, a property-to-energy group whose advisory board is chaired by Najib, has debts of around US\$11 billion.

A civil society group, Bersih, is planning a mass rally at the end of this month to urge his resignation.

However, the prime minister has countered criticism from those closest to him by sacking his deputy and other ministers who had publicly questioned him. The attorney-general who was investigating 1MDB has been replaced.

The government spokesperson said the attorney-general retired due to ill health and that Najib had reshuffled his cabinet so he had a “solid and unified team moving in the same

direction”.

Malaysian authorities have also suspended two of the country’s newspapers and blocked access to a website, Sarawak Report, that has been reporting on 1MDB.

Officials suspected of leaking information about investigations into the scandal have been questioned by police.

“The government seems intent to stop the leaks of information,” said Ibrahim Suffian, director of independent pollster Merdeka Centre.

Ball is in party’s court

Reuters has not verified the July 3 report by the Wall Street Journal, which said investigators looking into 1MDB had found that nearly US\$700 million was deposited into a private bank account under Najib’s name.

In March, authorities formed a task force led by the previous attorney-general, which included the central bank, the Malaysian Anti-Corruption Commission (MACC) and the police force, to investigate 1MDB.

The MACC said last week that the task force has now been disbanded, although the agencies involved can still look into 1MDB’s dealings individually.

MACC has said the money in Najib’s account was a donation, and not connected to 1MDB.

Najib retains significant support from the long-ruling Barisan Nasional (BN) coalition and from within his party, United Malays National Organisation (Umno).

The party, which has been in power since 1957, lost the popular vote for the first time in 2013 to an opposition alliance led by Anwar Ibrahim.

The alliance’s success was short-lived as the coalition split earlier this year. Anwar, who posed the biggest threat to the ruling coalition, was jailed for five years in February on sodomy charges, which he said were politically motivated.

Still, there are signs of dissent within Umno, with party leaders at odds over Najib’s dismissal of his deputy Muhyiddin Yassin.

“If anything were to happen, the rebellion or uprising has to come from within Umno,” said Wan Saiful Wan Jan, chief executive of the Institute for Democracy and Economic Affairs.

“The ball really is in Umno’s court.”

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