

Snap polls unlikely next year, says *The Economist*
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All evidence seems to point against snap polls happening any time soon, with persisting uncertainty in support for the ruling BN coalition and a potential tussle between Umno's top two leaders, according to the 2011-2014 country report compiled by *The Economist* Intelligence Unit.

The England-based news organisation pointed out that senior Umno leaders had indicated they were not confident that BN will perform well overall, considering the hazy perception of support for their party and the extent to which coalition partners have rebuilt their support bases among non-Malays.



The outlook also seems bleak in terms of new voters eligible for the next general elections, which must be held by 2013, with opposition coalition Pakatan Rakyat helping to register 64 percent of new voters between January and July this year according to Election Commission figures.

The *Economist* also cited concerns among Umno members that the BN's efforts to regain non-Malay support are being undermined by Malay rights group Perkasa, claiming the right-wing organisation is supported by former premier Dr Mahathir Mohamad and current Umno deputy president Muhyiddin Yassin.



Muhyiddin (*left*), who is also deputy prime minister, was also cited as a potential spanner in the works for Umno president and Prime Minister Najib Abdul Razak, with a possible contest for the party's top post between the two leaders in the next party elections.

This is expected to contribute to a "moderate threat" to the country's political stability, which *The Economist* said had waned particularly after the March 2008 elections, which debunked the long-held beliefs that the BN, with Umno at the top, had a firm hold on power and that Malay majority support remain with Umno.

The report pointed out however that Pakatan at the same time will "not be able to offer a sufficiently credible, stable alternative".

"Political intrigues within Umno, coupled with its determination to stay in power at all costs, therefore constitute the the biggest threats to political stability in Malaysia," the report stated.

The Economist nevertheless expects the BN to remain in power over the five-year period of its forecast, considering that it has a sufficient parliamentary majority to pass most legislation unchallenged.

Other points raised in the 2010-2014 forecast include;

- The BN is expected to stick to tradition and call for general elections one year before this term expires in April 2013, making 2012 a possible election year
- Fiscal policy will be tightened to reach government goals of balancing the nation's budget by 2020
- Despite a strong recovery with growth projected to hit 6.8 percent this year, the country is expected to achieve average growth of 4.9 percent over the 2011-2014 period, 1.1 percent lower than the government target of six percent
- Annual inflation is expected to remain at a "subdued" three percent over the five-year period, though the subsidy rationalisation plan may jack it higher over the same period
- The country is expected to post trade and current account surpluses despite relatively swift growth of merchandise imports compared with exports

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