

Najib takes over as finance minister
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Beh Lih Yi

Prime Minister Abdullah Ahmad Badawi today said he would pass his finance portfolio to his deputy Najib Abdul Razak, while he takes over as defence minister.

Abdullah told a press conference this afternoon that the swap in the cabinet posts will take effect immediately.

The prime minister, who has held the post of finance minister since 2004, said he had informed the cabinet of the decision.

Abdullah said he was handing over the finance portfolio to his deputy because it was an important portfolio that was traditionally held by the prime minister.

"It is an important portfolio, taking into account the current economic situation, the uncertainties and the challenges that we are facing...for all these we need a plan so that we can stay strong economically," he said.

Abdullah had initially forgotten to mention that he was taking over the defence minister post until he was asked later by journalists who had been appointed to fill that portfolio.

He may quit earlier

The prime minister also said that he may step down earlier than 2010 depending on Najib's performance.

"I will decide when I want to go... I will not be staying more than 2010 naturally," said Abdullah.

"If I should want to go earlier, that is possible. That is the flexibility we have arranged," he said of the transition plan forged with Najib after disastrous March elections that triggered calls for him to quit.

"It depends on the progress of the role I am giving to Najib. Let's see what he can do. At the same time, I'm looking at things I need to do - reform measures, social measures to deal with the poor.

abdullah ahmad badawi najib razak pc change portfolio 170908 03"Handing over is a process. We will study the process and as it goes along, we will decide accordingly."

However, both leaders nevertheless reaffirmed their commitment to the 2010 power transition plan.

Abdullah added that both he and Najib will defend their respective posts as Umno's top two leaders in the party polls in December.

Najib, who was present at the hastily-called press conference, said when asked to comment if he would consider contesting for the top post in Umno, said: "We have agreed (to the

transition plan). I'm leaving it to the party. We are offering ourselves to the party and I hope that they will accept."

Najib also thanked Abdullah for this "magnanimous decision which showed his sincerity in me as his successor".

There has been increasing pressure on Abdullah to quit earlier than scheduled, but it now appears that Najib has stitched a deal with his boss to placate the demands of the Umno grassroots.

Both men have been at the centre of a political maelstrom, caught by bitter infighting in Umno amid a mounting challenge from Opposition Leader Anwar Ibrahim, who has promised to form a new government soon.

Anwar a 'threat to nation's economy'

Last week, Najib backed away from a power transition pact made with Abdullah in July, whereby his 68-year-old boss would hand over to him the premiership and Umno presidency in June 2010.

mahathir and umno 190508 02Observers say the latest move by Abdullah was to assure Najib that his accession to the top post in the country was not affected, and also to deflect a campaign led by ex-premier Dr Mahathir Mohamad (left) to unseat him from the Umno presidency.

Abdullah also touched on Anwar's request for a meeting to discuss a power transfer to the opposition Pakatan Rakyat, based on the claim that the latter has at least 31 defectors from Barisan Nasional to form a new government.

He said the letter which was sent by Pakatan leaders did not mention anything about a power transfer and delivered a warning to Anwar, accusing him of "lying to the public and confusing the people".

The prime minister also described Anwar as a "threat" to national security.

"He has become a threat to the economy and possibly (national) security," he said - a serious allegation which allows the government to invoke the draconian Internal Security Act against him.

"I will not indicate what plan I will take, what I do will be in the best interests of the people and the country," Abdullah said when asked what action he was going to take.

He also confirmed he would not agree to the opposition leader's request for a meeting to discuss a peaceful transition of power.

"There is nothing to discuss," he said.

Market soft

Meanwhile, shares sank a third day today - charting a new low for the year - amid gloom in global banking stocks and growing fears that the political standoff between Abdullah and

Anwar might be prolonged.

"The worst case scenario is the uncertainty dragging. Even if the global backdrop clears but the domestic uncertainty plays out further, there will certainly be room for further downside," said Vishnu Varathan, analyst at Forecast Singapore Pte Ltd.

abdullah ahmad badawi najib razak pc change portfolio 170908 01Political bickering has marred the Malaysian bourse this year, with investors staying on the sidelines in anticipation of a sea change in the local scene after Pakatan scored a major victory in the March general election.

At the midday break, the Kuala Lumpur Composite Index was at 1,007.14, down 5.23 points. It hit a fresh year-low of 1,002.83 in morning trade.

Dealers expect more losses in the days ahead, with the benchmark index forecast to breach the psychological 1,000 points, while support is seen at the 900 points mark.

As finance minister, Najib is also appointed deputy chairperson of government investment arm Khazanah Holdings.

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