

# Merrill Lynch: Abdullah's leadership is creditable

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**KUALA LUMPUR:** International merchant bank Merrill Lynch says that while recent reforms in Malaysia have been attracting a lot of attention, the country's new political regime under Datuk Seri Abdullah Ahmad Badawi has been largely under-appreciated.

"But we think that due credit is not being properly given to the country's new leadership under Prime Minister Abdullah Ahmad Badawi, who took over the helm in late 2003," the merchant bank said

in its latest analysis on Malaysia.

"We believe that this change in leadership has been one of the most under-appreciated, if not the most important, developments in Malaysia following 22 years of rule under Tun Dr Mahathir Mohamad," said the merchant bank in an analysis undertaken by its Hong Kong-based economist, Arthur Woo.

Merrill Lynch said although the Prime Minister is often criticised for being too slow, indecisive and

deferring to consensus too often, "we believe his new style of leadership may be exactly what the country needs to rejuvenate the economy's long-term growth prospects, especially in the face of rapid globalisation."

Merrill Lynch said Abdullah had made a number of tough but critical decisions since he assumed power.

"Many of these decisions, which addressed issues left over from Dr Mahathir's era, are under-appreci-

ated," it added.

These include the restructuring of GLCs, foreign exchange liberalisation, improved foreign relations, reducing fuel subsidies and cancelling non-essential projects.

As for foreign exchange liberalisation, the merchant bank said the unwinding of capital controls and the de-linking of the ringgit to the US dollar that were implemented in 1998 had helped reverse international investor perception that Malaysia is not open for business.

"This move has played a critical role in re-attracting foreign capital and investment.

"The decision to reduce fuel subsidies and cancel mega projects like a new bridge linking Malaysia to Singapore and the cross-country double-tracking railway line highlighted the fact that Abdullah understood the importance of fiscal discipline and keeping the overall level of public debt in check," said Merrill Lynch. — Bernama