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prime minister's problems. The first is the terrible performance of 1MDB, a loss-making state investment fund that is struggling to service around \$12 billion of debt and whose board of advisers Mr Najib chairs. At the end of December it failed to repay a \$563m loan; some people fear that a costly bail-out is on the cards.

The second distraction is an unexpected verdict handed down by the federal court in a long-running murder case. On January 13th the court overturned the acquittal of two policemen who were convicted in 2009 of murdering a Mongolian woman. Her killers were members of a police unit assigned to protect Mr Najib, then Malaysia's defence minister, and one of them has fled to Australia, which may decline to extradite him. Mr Najib has always denied any involvement in the crime, and there is no evidence to the contrary. But the case is a magnet for conspiracists. Some wonder whether Mr Najib's political opponents encouraged the court to deliver a verdict that would return the case to the headlines.

Mr Najib's position is probably safe for the moment. None of his rivals yet commands quite enough support within UMNO or among voters. He is throwing bones to his detractors: in November he backed down on a promise to do away with the Sedition Act—a noxious colonial-era law on censorship that is currently being used to harry opposition figures—and pledged instead to bolster it with new clauses that would criminalise some speech against Islam and other religions. Challenging Mr Najib this year would risk doing harm to Malaysia's image, says Ooi Kee Beng of ISEAS, a think-tank, given that the country is the current chair of ASEAN, the club of South-East Asian countries.

Much will depend on the economy, for which Mr Najib, who is both prime minister and finance minister, is seen as having full responsibility. Though the country has gradually grown less dependent on revenues from oil and gas, these still make up around 30% of government income. The collapse of oil prices has left a hole. The government has taken the chance to slash fuel subsidies, and on January 20th it pledged to keep the deficit fairly close to its earlier target of 3%. But spending cuts may unsettle the public, which is already swallowing a new tax for goods and services.

Hardly anyone thinks Mr Najib still has the power or the will to push through the big-ticket reforms he once considered, such as a plan to tone down positive discrimination laws, which throttle growth by favouring the Malay majority at the expense of ethnic Chinese and Indians. But his defenestration could well mean UMNO veering even harder to the right on divisive issues such as Islam's place in society. Few voters really want Malaysia's polarised racial politics to get any more toxic. ■

Politics in Malaysia

## Knives out

KUALA LUMPUR

Misfortunes surround Malaysia's prime minister

WORLD leaders rarely regret a chance to pose with Barack Obama. But in December Malaysian voters responded angrily to footage of Najib Razak, their prime minister, playing golf with America's president—just as severe floods were inundating the country's coastal provinces. A hasty tour of the flood zones, from which more than 200,000 people were evacuated, went some way to repairing the prime minister's image. So too did the news this month that the filthy floodwaters had handed him a bout of *E. coli*.

That a stomach bug might be a positive development for Mr Najib says much about his difficulties. Since leading his coalition to a slim victory in elections in 2013, with less than half the popular vote, his approval rating has dropped about ten points to less than 50%, according to the Merdeka Centre, a pollster. That would be an encouraging figure for many Western politicians but looks perilous to a leader of the United Malays National Organisation (UMNO), which has ruled Malaysia for almost six decades. Factions loyal to Mahathir Mohamad, a former prime minister who won't go away, accuse Mr Najib of not looking out for UMNO's ethnic-Malay Muslim majority. Rumours persist that



Najib: diminished

rebels are rallying around Mr Najib's deputy, Muhyiddin Yassin.

This kind of rough and tumble is not rare in Malaysia's ruthless politics. It looks rather like the brawling which eventually toppled Mr Najib's predecessor, Abdullah Ahmad Badawi, in 2009. But lately two singular developments have added to the

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