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 NEWSPAPER CLIPPING

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The huge support enjoyed by Prime Minister I'atuk Seri Najib Razak at the Umno general assembly has reaffirmed his political position and control over the party, says FT Confidential Research.

The increased clout was reflected in the resolution of controversies surrounding IMaiaysia Development Berhad (IMDB) and how his chief detractor, Tun Dr Mahathir Mohamad, had failed to gain ground among the delegates, said the *Financial Times'* independent research service.

In a report published on Thursday, FT Confidential said doubts about Najib's hold on the party and office had been put to rest following the support he received at the assembly.

"If there are any doubts that Malaysian Prime Minister Najib Razak is set to hold onto power following a tumultuous year, then the reception he received at the recently-concluded Umno general assembly put those concerns to bed once and for all."

Expounding on Najib's growth in influence at the assembly, FT Confidential said his critics, Umno deputy president Tan Sri Muhyiddin Yassin and former prime minister Dr Mahathir were forced to speak outside the event. It said both resorted to distributing pamphlets to have their voices heard.

"Muhyiddin, for example, who was sacked as deputy prime minister in July for questioning Najib's leadership, was barred from giving a speech from the podium despite the fact that it is customary for the deputy to do so.

"While Dr Mahathir, who is now 90, was successful at removing his successor (former prime minister Tun) Abdullah (Ahmad) Badawi in 2009, he has used up a lot of his once hefty political capital and is unable to dislodge Najib."

Judging from the backing received by Najib, FT Confidential was confident that Najib would sail through challenges to lead Barisan Nasional in the next general election, expected to be held by August 2018, as predicted in an

earlier analysis.

It claimed that despite internal opposition in Kedah, Negri Sembilan and Johor, movements against Najib were wearing out.

The clearest sign of Najib's robust influence over Umno was the manner in which his speech condemning Muhyiddin and Dr Mahathir was received by the delegates. Delegates from all around the country applauded his words enthusiastically. There was no heckling and Umno's supreme council stood the line.

"Najib still faces internal opposition in Kedah, Negri Sembilan and Johor, where pro-Muhyiddin support runs strong, but the anti-Najib lobby has run out of options. Umno is set to hold its party election in mid-2018, but we see no chance that

he will be ousted before the general election."

The sale of IMDB's energy assets to China General Nuclear Power has been described as a key factor that led to the resolution of the said "debt crisis".

An FT Confidential research team recently interviewed IMDB group executive director and president Arul Kanda Kandasamy on the matter.

"The other key factor that has strengthened Najib's hand is the resolution to IMDB's debt crisis. In December, we spoke with IMDB group executive director Arul Kanda and are convinced the worst of the fund's troubles are over.

"This turnaround is due to two transactions. (First), the sale of IMDB's energy assets to China Gen-

eral Nuclear Power for RM9.8 billion. The Chinese state-owned enterprise will assume RM7.4 billion in debt tied to these assets.

"(Secondly), the transfer of about RM16 billion in debt to Abu Dhabi sovereign wealth fund, International Petroleum Investment (Company)"

FT Confidential said the two transactions had alleviated the majority of IMDB's short-term debt concerns, while significantly reducing the risk of default.

"We estimate that the two transactions will reduce its debt to about RM19 billion, from the RM42 billion listed in its 2014 annual accounts. With the resolution to the IMDB crisis in sight, the anti-Najib lobby has lost its main source of ammunition against the prime minister."