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Najib, Beset by Scandal, Demands Respect

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Malaysian Prime Minister Najib Razak, facing a loss of international standing as he wrestles with global investigations into alleged domestic corruption, on Tuesday urged countries not to meddle in his nation's affairs.

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in Jakarta
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"I have always been a proponent of openness to the world and collaboration, but we must insist on respect for our own sovereignty, our own laws, and our own democratically elected governments," Mr. Najib said at a summit on Islamic finance in Indonesia.

Mr. Najib has struggled for more than a year in a scandal centered on the state investment fund 1Malaysia Development Bhd. He used a keynote address to the World Islamic Economic Forum to restate his country's importance in Asian trade and security arrangements and as a counterbalance to Islamic extremism.

The remarks amounted to a pointed statement of Malaysia's traditional role as an investment-friendly, moderate Muslim mainstay. That role has been overshadowed in the past year by a steady stream of bad news around 1MDB,

which Mr. Najib founded in 2009 to promote economic growth.

The three-day forum is the first big international event Mr. Najib has attended since the U.S. Justice Department filed a civil lawsuit July 20 seeking to seize assets that it said were bought with \$3.5 billion misappropriated from 1MDB.

The lawsuit doesn't name Mr. Najib, but there are 32 references to "Malaysian Official 1," who allegedly received hundreds of millions of dollars in funds siphoned from 1MDB. People close to the investigation have said Malaysian Official 1 is Mr. Najib.

"Without a doubt, the ongoing 1MDB investigation by half a dozen countries, including the U.S. and Singapore, is starting to take its toll on Najib's credibility," said Murray Hiebert, deputy director of the Southeast Asia program at the Center for Strategic and International Studies in Washington.

"But much of this toll is focused on Najib," Mr. Hiebert said. "Malaysia itself is still largely viewed as one of the most economically successful Muslim-majority countries."

Mr. Hiebert was jailed briefly in the late 1990s for contempt of court after losing an appeal against a 1997 conviction for writing about a



Malaysian Prime Minister Najib Razak in Jakarta on Tuesday.

case brought by the wife of a court of appeal's judge on behalf of her teenage son. Mr. Hiebert was working at the time as a journalist for the Far Eastern Economic Review, then owned by Dow Jones. Mr. Najib wasn't the prime minister at the time.

On the international stage, Malaysia remains a key member of the 12-nation Trans-Pacific Partnership trade deal the U.S. is pushing, and an increasingly important security partner for Washington amid tensions in the South China Sea, Mr. Hiebert said.

"Najib is still the prime

minister and therefore he still must be given all the courtesies for a sitting head of government," said Wan Saiful Wan Jan, chief executive of the Institute for Democracy and Economic Affairs, a Kuala Lumpur-based think tank. "So in reality, it does not matter what people think. He is still in charge."

Mr. Najib has been embroiled in scandal since The Wall Street Journal reported more than a year ago that hundreds of millions of dollars that originated with 1MDB flowed into his personal bank account. Several coun-

tries have since launched investigations.

Mr. Najib has said he did nothing wrong and is the target of smears. The Malaysian attorney general has cleared him of wrongdoing, saying the funds that went into Mr. Najib's account were a legal political donation from Saudi Arabia and that most of the money was returned. 1MDB has also denied wrongdoing.

Mr. Najib is still regarded as a moderate voice in the Muslim world and Malaysia sees itself as a model for developing countries, said Norshahril Saat, a fellow at the ISEAS Yusof Ishak Institute. His approach to terrorism has earned him kudos among neighbors battling with Islamic extremism while earning rebukes from human-rights groups.

A special security law that took effect Monday widens Mr. Najib's powers to fight Islamic terrorism but critics say it is broad and overly vague and could be used to silence critics. New York-based Human Rights Watch has called for the law to be repealed.

Countries facing similar problems, including corruption, are less likely to pass judgment. But the allegations continue to dog Mr. Najib and perceptions of Malaysia.

—Celine Fernandez
contributed to this article.

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