

## **Glum economic outlook nudges Najib closer to polls**

**The Malaysian Insider**

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KUALA LUMPUR, Dec 14 — Datuk Seri Najib Razak may have to rush into elections within three months, analysts have predicted, due to a bleak economic outlook and a world backdrop that is more hostile towards “strongmen and corrupt establishments”.

“The economic dynamics will be most crucial in determining the election (timing), and the window is narrowing,” one analyst, Singapore Management University associate professor Bridget Welsh, told Singapore’s Straits Times newspaper in a report published today.

The article noted that Malaysia’s economy is expected to expand by just three per cent next year, according to Nomura International, well below this year’s targeted 4.7 per cent growth rate and the government’s five per cent forecast.

Others have also noted that Malaysia’s rising federal debt load and over-reliance on commodity exports could see the country’s economy hit the hardest among its Southeast Asian neighbours.

Malaysia’s federal government debt, the article reported, soared by 88 per cent over the last six years to RM407 billion from RM217 billion in 2004, an outcome that would only limit spending, particularly in an environment of weaker commodity prices.

The country’s economy risks being squeezed by the euro zone debt crisis. — Reuters pic  
With the country’s oil and gas revenues accounting for 40 per cent of total revenue, “any fall in commodity prices will hit the government’s finances directly”.

But analysts told the ST that Najib’s administration could ill-afford further economic hardship, particularly as the prime minister — described in the report as “a risk-averse politician whose rise to the top was rooted in a play-it-safe approach” — badly needs to outperform his predecessor to prove himself.

“That is why the window of about six months that Mr Najib has been toying with is likely to narrow to three, said those close to the PM,” ST reported.

“He (Najib) had already signalled the election will be (held) soon at the recent Umno general assembly. With the uncertainty over the economy, he is likely to call it earlier,” the daily quoted an unnamed close aide as saying.

Najib sounded the election war drums during the ruling party’s annual meet last month, urging his partymen to prepare for what he dubbed as the “most critical” polls to date, adding that losing to Pakatan Rakyat (PR) would result in “tragedy”.

Analysts have said, however, that most of the country’s non-Malay voters, who make up about 40 per cent of the electoral roll, prefer the federal opposition pact while the dominant ethnic Malays are divided in their support, ST wrote.

The daily noted that Najib also faces another challenge in the coming polls — to “ensure enough of his supporters are selected as candidates... to ensure that his own position in Umno is secure”.

The candidate-selection process will be most crucial to determine this, failing which the prime minister could face internal sabotage by disgruntled members.

“Whatever the case, most analysts and government politicians acknowledge that Malaysia, post- election, is in for a bumpy ride,” the article said.

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