

Malaysia Five-Time Election Winner Mahathir Warns on Rushed Vote
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By Barry Porter and Haslinda Amin

Feb. 3 (Bloomberg) -- Malaysia's ruling National Front coalition should hold off calling elections to allow more time to win support from groups such as the country's ethnic Chinese, former Prime Minister Mahathir Mohamad said.

Current leader Najib Razak might secure a simple majority in parliament without winning back the two-thirds control lost in 2008 if elections were held now, Mahathir, 86, said in an interview at his office yesterday in Kuala Lumpur. Najib would struggle to win back opposition-held states, he said.

"If you have the time, use the time to build up support," Mahathir said. The coalition "can't afford to lose support from any sector of the country. The current thinking is that the Chinese won't vote for the government."

Najib, who took over as prime minister mid-term in 2009, is bound by law to call an election by early 2013. He sparked speculation of an early vote when he said in December that preparations had begun for the contest after a budget that was unveiled in October boosted wages for civil servants and gave cash payments to low-income families.

Mahathir won five consecutive national elections as the prime minister of Southeast Asia's third-biggest economy before stepping down in 2003. In 2008, the National Front lost a third of its seats in the worst showing since independence in 1957.

'Moral Force'

Mahathir "is a moral force for a lot of Malays," said Ooi Kee Beng, deputy director of the Institute of Southeast Asian Studies in Singapore. "Even for non-Malays, they want to forget it nowadays, but in the early 1990s, most of them felt a certain pride that Mahathir gave to them."

Before 2008, the worst showing for the National Front was in 1969, when candidates representing urban ethnic Chinese and rural Islamic opposition groups won more than a third of seats in Parliament. Ethnic Chinese victory marches prompted a backlash from Malay groups that led to emergency rule.

Najib's father, Abdul Razak, took over as prime minister in 1970 and responded by creating an affirmative-action policy that gave Malays educational, housing and job preferences.

A victory for the opposition led by Anwar Ibrahim, who was acquitted last month of sodomy charges, would turn the country "upside down," Mahathir said yesterday.

Since Najib took office in April 3, 2009, the benchmark FTSE Bursa Malaysia KLCI Index has risen 69 percent as of yesterday's close, compared with a 44 percent gain for the MSCI Asia Pacific index.

Economic Growth

Spending by foreign and local companies has accelerated since Najib's government unveiled a so-called Economic Transformation Program in 2010, under which it identified \$444 billion of private-sector led projects from mass rail to oil storage to promote in the current decade. Malaysia aims to spend 233 billion ringgit in 2012 to help the nation achieve economic growth of 5 percent to 6 percent, the prime minister said in his Oct. 7 budget speech.

Mahathir downplayed Anwar's chances, saying the opposition chief's claim he would prevail in a "Malaysia Spring" was misguided. The toppling of authoritarian regimes in the Middle East became known as the "Arab Spring."

"If you look at the Arab countries, it was clear that these authoritarian rulers never cared for the people, never created jobs," he said. "Malaysia, on the other hand, upon gaining independence, spent most of its time trying to create jobs for its people."

Former Deputy

Anwar had been Mahathir's deputy until he was fired when faced with similar allegations in 1998. He was sentenced to nine years in jail for sodomy and a separate corruption charge at that time, before being released in 2004 after Malaysia's highest court overturned the sex conviction.

Mahathir, who rejected an International Monetary Fund bailout for Malaysia during the 1998 Asian Financial Crisis, said he feels "vindicated" by Europe's debt crisis and that the region has been "living beyond its means."

Mahathir, who introduced capital controls and fixed the ringgit at 3.80 a dollar in September 1998, said that if he had his way now he would ban currency speculation and short-selling.

"It's not about producing goods or providing services," he said. "It's just about betting on the stock market."

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