

Polls fever distracting from economic reforms, says CIMB boss
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KUALA LUMPUR, Jan 31 — Top banker Datuk Seri Nazir Razak says economic reforms are not moving as fast as was hoped for apparently due to distractions from a general election which has to be held by early next year.

The CIMB group chief executive officer's comments comes after the Malaysian Institute of Economic Research (MIER) said earlier this month that it would be better for the government to hold the general election as soon as possible since lingering uncertainty over the nation's political future will hurt the economy.

In an interview with the Wall Street Journal published yesterday, the influential banker alluded that the reform process could be delayed as people turn to politics.

"Things slow down because authorities have something better to do," said Nazir (picture), whose eldest brother Datuk Seri Najib Razak is prime minister.

The banker added that Malaysia's gross domestic product expansion should slow to about 3.8 per cent this year due to weaker demand in Europe and the US, while the ringgit is expected to remain near current levels. The government has maintained the country's GDP will touch 5 per cent in 2012.

MIER executive director Zakariah Abdul Rashid had earlier said that private investors were holding back critical investments on concerns that government policies will change should the current administration fail to hold on to power, and urged the government to call for early polls to dispel investors' wait-and-see attitude.

The think-tank chief had also urged the government to undertake structural adjustments over both the short and long term to be more vibrant and ready to face the uncertainties in the global economy.

Najib reiterated his commitment to reforms in his New Year message on December 31, saying that the government will not succumb to pressure from any party in pursuing reforms.

He had introduced various government and economic reform measures soon after taking over from Tun Abdullah Ahmad Badawi in April 2009 in a bid to push the country from its Third-World status into a high-income bracket nation.

Government officials and some economists have pointed to Malaysia's rise in rankings such as the World Economic Forum's Competitiveness Index and the World Bank's Doing Business Index this year as proof that Najib's reforms are working.

However, pressure from Malay hardliners such as Perkasa and the United Malays National Economic Action Council (MTEM) is widely seen as to have dampened Putrajaya's efforts, especially the New Economic Model (NEM) which had touched on meritocracy and a more competitive market.

Critics also say that the apparent lack of radical reforms effectively amounted to policy tinkering that would deliver only lacklustre results.

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