

Fortunes at risk without stable government, PM warns Chinese firms
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By Clara Chooi

KUALA LUMPUR, June 20 — Datuk Seri Najib Razak appeared to go on a stump for the Barisan Nasional (BN) government today, warning the Chinese business community here that their assets and wealth may “evaporate” unless there is “political certainty and stability”.

The prime minister appealed to the community to “work together” with the government to ensure such stability is maintained, saying that lessons could be learned from the current euro zone crisis, the US economic slowdown, and events in North Africa.

“You have worked very, very hard to accumulate assets and wealth in country but those asset and wealth can decline and even evaporate if we don’t work together to ensure more political certainty and stability in the country,” he said in his opening address at the Associated Chinese Chambers of Commerce and Industry in Malaysia’s (ACCCIM) 66th annual general meeting here.

Najib stressed on the need to instil business and market confidence to ensure stability in Malaysia’s political climate, pointing out that firms would otherwise face more hazards to their trade.

“And business risks can cause your borrowing costs to go up, a downturn in foreign direct investments (FDI), and even the value of your shares in the market to go down,” he said.

Najib also extolled his government’s direction thus far, saying it has proven that “real reform” and “real change” is taking place in Malaysia today.

The government has not promised what it cannot deliver, he added while pledging that more will be done in the coming years.

Najib acknowledged that the current global economic outlook remains gloomy, again pointing to the euro zone crisis, but said that signs in the local economy have so far been encouraging.

The Malaysian economy expanded by 5.1 per cent last year while the country’s gross domestic product (GDP) recorded an increase of 4.7 per cent in the first quarter of this year, he pointed out.

“And on an international level, Malaysia is now evaluated as the 14th most competitive economy in the world, according to the latest Institute for Management Development survey, putting us ahead of Australia, the United Kingdom, Korea and even China,” he said.

According to the results of a recent Merdeka Center survey, Najib is struggling with declining support from the country’s Chinese and Indian communities, despite a spike in Malay support.

The BN chairman and Umno president was earlier expected to dissolve Parliament this month for a July election but the rumours proved untrue when he announced that he would be tabling next year’s budget on September 28 while saying there was a possibility of

another handout to low-income families under the Bantuan Rakyat 1 Malaysia (BR1M) scheme.

The RM500 paid out to nearly five million families at a cost of RM2.6 billion earlier this year saw his approval ratings shoot up to 69 per cent, largely due to a surge among poorer households.

But the aftermath of violence that erupted between police and demonstrators at the April 28 Bersih rally for free and fair elections saw his popularity slide to 65 per cent last month.

The Malaysian Insider had reported on May 28 of a possible September general election but Najib's announcement that Budget 2013 will be tabled on September 28 has pushed party strategists to look at a later date to allow Budget incentives time to reach the ground.

The hajj pilgrimage on October 26, Deepavali on November 13 and BN's efforts to court the youth and Chinese vote could delay the general election to November, sources said, adding that the BN chief was still scrutinising the candidates' lists to ensure a bigger victory.

BN sources said several recent surveys show the coalition needs to work harder to get a convincing victory especially with some 2.2 million voters casting ballots for the first time.

It is understood the compilation of surveys revealed that BN could win up to 146 parliamentary seats with at least 80 sure wins, more than the 140 won in Election 2008.

However, a recent survey by the Special Branch said BN might only win up to 118 federal seats, prompting strategists to seek a delay in the polls.

Najib took over from Tun Abdullah Ahmad Badawi in April 2009, ostensibly to improve on BN's worst electoral performance ever in March 2008, where it lost its customary two-thirds supermajority in Parliament and five state governments.

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