

Nazir Razak pitches for his brother ahead of polls
Malaysian Insider
March 21, 2013
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KUALA LUMPUR, March 21 — A change in government would disappoint investors here, said CIMB Group chief Datuk Seri Nazir Razak, using the promise of a more stable economy to argue his case for his brother Prime Minister Datuk Seri Najib Razak's bid to remain in Putrajaya after Election 2013.

Nazir (picture), who heads Malaysia's second-largest bank and emerged the country's highest-paid banker in a 2008 poll, told Bloomberg TV that his brother has "a very clear path forward" in terms of transforming the Malaysian economy.

"If there's a change there, it would disappoint investors and they would have to relook at their view of Malaysia," he told Bloomberg's Susan Li in Hong Kong.

Bloomberg noted that the Najib government has identified a staggering RM1.39 trillion worth of private sector-led projects, including the massive mass rapid transit (MRT) railway line, as part of efforts to engineer greater growth and development within the economy over the next decade.

The business wire also pointed to Malaysia's plan to slash its budget deficit to 3 per cent of gross domestic product (GDP) by 2015 from last year's 4.5 per cent.

Najib, the country's sixth prime minister has appeared to be brimming with confidence ahead of the polls, disclosing last week Malaysia's Gross National Income (GNI) figures growing 49 per cent or US\$6,670 (RM20,677) to US\$9,970 between 2009 and 2011, although the numbers have been disputed.

While banking on economic figures to show progress under BN, Najib has also set several initiatives including cash handouts to the poor while focusing on creating jobs for the youths.

Bloomberg pointed out that the country's US\$288 billion (RM899 billion) economy grew at a faster pace over the past two years, as Najib boosted spending ahead of the coming polls.

The prime minister's initiatives have made him more popular than his party and government, with the latest Merdeka Center survey showing his approval ratings are at 61 per cent last month, down from 63 per cent last December.

Both his government and party have been scoring just above 40 per cent approval ratings in similar surveys, reflecting his importance to BN's efforts to regain its customary two-thirds majority lost in Election 2008.

But despite the comfortable rating, there appears to be jitters in Putrajaya as the general election looms closer.

Bloomberg said Election 2013 would likely be the "most competitive" in Malaysian history after the 2008 political tsunami which saw BN lose in five states and its grasp over its customary two-thirds parliamentary majority.

At the time, the Pakatan Rakyat (PR) federal opposition pact was yet to be formed.

Today, PR, campaigning on an anti-corruption platform and armed to the teeth with promises of cheaper cars, free education, lower electricity and gas tariffs, among others, is believed to be heading for victory, according to its leader Datuk Seri Anwar Ibrahim.

In a recent interview earlier this month, Anwar repeated his 10-seat comfortable majority win for PR to Bloomberg, insisting that a PR win was on the cards.

"I don't want to sound overconfident, but I believe looking into the trend now it will be a comfortable majority ... Beyond 10 is comfortable," Anwar had said in the interview.

Anwar was also confident of winning Perak and Negri Sembilan, in addition to retaining Penang, Selangor, Kelantan and Kedah.

The business wire noted that amid the uncertainty in the last leg before the polls, the benchmark FTSE Bursa Malaysia KLCI Index has now fallen 3.7 per cent after closing at a record on January 7, the worst performing major gauge in Southeast Asia this year.

The ringgit, it added, has slumped 2 per cent this year.

Malaysia's government financials are considered among the weakest in Asia and many economists have called for the implementation of GST in order to shore up the government's revenue base.

Global ratings agencies such as Standard and Poor's (S&P) and Fitch had last year warned of credit rating downgrades if Malaysia does not implement significant reforms to its financials.

Fitch said in August last year that Malaysia has yet to present a convincing plan to tackle the twin fiscal threats of its federal budget deficit and federal debt even though strains on its credit profile are increasing.

"I totally understand why the market can be a little bit edgy.

"Relevant to many markets, the role of government in the Malaysian economy is important. The election outcome is important to the future direction of the country economically," Nazir was quoted saying.

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