

Rough ride ahead for Najib after unity government talks expose
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Hostility towards Datuk Seri Najib Razak is set to grow within Umno in the coming weeks after Datuk Seri Anwar Ibrahim acknowledged that the opposition was in secret talks with the prime minister to form a unity government.

The Edge Review digital magazine reported today that Najib's dual track strategy of rewarding political warlords and key supporters with coveted posts and secret negotiations with Anwar through trusted aides and Indonesian politicians has not worked out well for the country's sixth prime minister.

It is understood the secret talks were handled by Umno vice-president Datuk Seri Ahmad Zahid Hamidi and PKR's secretary-general Datuk Saifuddin Nasution Ismail - both of whom are close friends from their Umno Youth days.

"His move to shore up his political standing within Umno has alienated key constituencies within the party and drawn the ire of powerful figures, including former premier Tun Dr Mahathir Mohamad and former finance minister Tun Daim Zainuddin (pic), who are privately advocating a leadership change," the digital magazine said in its latest weekly edition.

"Anwar, who was kicked out of Umno by Dr Mahathir in 1998, is seen as a reviled opponent by Umno's elite, and analysts say that Najib's move to open talks with the Opposition Leader is surely being seen as a betrayal of the party," it added in the headline report titled "Malaysia's political tensions set to escalate".

The magazine said the latest developments could "lead to a bruising leadership battle when Umno holds its own party elections in mid-October".

Close aides of the prime minister admit that the next three months will be crucial, the magazine said.

"If he survives the Umno elections, then he will see his mandate through," said one long-time Najib adviser, who noted that the forces arrayed against his boss was growing by the day.

The magazine noted that Malaysia had been trapped in a deep political funk since 2008, when the Umno-led Barisan Nasional (BN) coalition government lost its long-held two-thirds majority in Parliament.

Umno had blamed the poor showing on then prime minister Tun Abdullah Ahmad Badawi and forced him to hand over power to Najib in April 2009. Najib's problem was that he has fared worse with voters than Abdullah, said The Edge Review.

The Najib-led ruling coalition not only failed to improve its numbers in Parliament, it also lost the popular vote, securing only 47% compared to the opposition's 51%. It ranked as the worst showing by the BN since independence in 1957, the magazine said.

"The PM's main problem is that he hasn't recovered from the results of the general election. He is coming across as a weak leader, not only to his party, but the whole country," a

prominent Malaysian businessman, who enjoyed cordial relations with Najib and his family, told the magazine.

The Edge Review noted that Najib had maintained a very low profile since the general election, appearing infrequently in public and staying silent on a number of challenges facing the nation like the sagging economy, soaring crime rate and racial polarisation.

He had yet to weigh in on growing religious tensions, particularly among right-wing Islamist groups who are showing little tolerance in multi-religious and multi-ethnic Malaysia, the magazine said.

His government had also failed to come up with a clear plan on how to deal with the worsening security situation in the country, where the number of drive-by shootings and gangland killings has jumped in recent months, it added.

The magazine said another major challenge was the country's troubled economy, particularly rising public sector debt, which early this month prompted Fitch Ratings to lower the country's credit-rating outlook to "negative" from "stable."

"The rebuke by Fitch has pushed the local currency to a three-year low against the US dollar, and unless Najib moves decisively to deal with the country's public finances in the coming budget, economists say that more foreign funds are likely to pull out.

"Against this backdrop of a leadership vacuum, policy paralysis and deepening social strains, the prospect of a unity government for Malaysia is very appealing, several economists say," the magazine said.

The magazine said it broke news of the possible peace deal between Najib and Anwar in April, but it had largely been ignored by the country's compliant mainstream media.

"Umno politicians and close aides of Anwar say that the talks, which are being brokered by Indonesia's former vice-president Jusuf Kalla, have gained fresh momentum in recent months, with the two Malaysian political leaders each appointing representatives to hammer out details that would shape the reconciliation process," it added.

The Edge Review reported that politicians said Najib's representative, Zahid, who was also Home Minister, had held several private discussions with Saifuddin.

"The most recent meeting between the two representatives was in mid-July, after Indonesia's Kalla held separate talks with Najib and Anwar, sources close to the discussions say.

"At that session, Zahid conveyed a request from Najib that Anwar publicly acknowledge that he was open to reconciliation talks with the ruling party," The Edge Review said in the report.

Another confidence-building measure suggested by Najib was a request that Anwar publicly recognise the May election result, politicians close to the talks between Zahid and Saifuddin told the magazine.

Anwar broke his silence on the talks this week, when he was quoted by the Asia Sentinel news portal that Najib had reached out to him to explore the possibility of a unity government.

The Asia Sentinel quoted Anwar as saying that he had passed word to Najib that his government would have to end racist attacks by Umno-controlled groups against the Chinese and Indian communities before any progress could be made.

"I said the fundamental issues must be addressed, ending the racial stuff. There has to be a clear commitment to reform and change," he told Asia Sentinel, adding that he had yet to receive any word from Najib.

Long-time associates of Najib told The Edge Review that they were aware of the talks, but they did not believe the talks would amount to much.

"This won't fly because Umno won't allow it," it quoted a senior banker who regularly advised the premier on economic matters.

But the magazine said it was still unclear how Umno's elite would react to Najib's secret dealings with Anwar adding the first indication would come when the party holds division meetings in mid-October.

It quoted Ibrahim Suffian, who heads Malaysia's respected opinion research firm Merdeka Center, as saying that Najib's gambit to open talks with Anwar "can cut both ways".

"It could be his way of sending a message that he is ready to open a new flank to mitigate any loss of support in Umno," he told The Edge Review. "But, it is also a big risk, because it could easily galvanise the opposition against him." - August 16, 2013

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