

Treading on delicate political ground

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KUALA LUMPUR, March 4 -- Politics is akin to a strategic game of chess, as the principle behind the board game transcends politics, as aptly put by German-British chess master Johannes Zukertort that "chess is the struggle against the error."

Treading the current delicate political ground, the postponement of the opening of the Dewan Rakyat sitting to May 18 instead of March 9 could provide stability and assuage the rising negative sentiment on the changing of the guard of the country's administration.

The change in the country's leadership, as well as the eventual appointment of a new cabinet, also caused the House to reorganise some of its paperwork, which needed amendments, including Parliament's order paper, which had already been prepared in advance.

The delay in the Dewan Rakyat sitting will give enough time to the new premier, Tan Sri Muhyiddin Yassin to form his cabinet line-up and for the newly-appointed cabinet ministers to prepare answers to parliamentary questions.

But the main focus is putting the economy on the right track as the challenges weighed on amid COVID-19 that has disrupted demand and supply chains, as well as roiled global equities.

The Ministry of Health, in a statement today, announced that as at 12 noon, 14 new cases had been reported.

After 11 days of no new cases emerging, the second wave of infections between Feb 27 and March 4 recorded 28 positive COVID-19 cases, bringing the total number of COVID-19 positive cases in Malaysia to 50 cases.

As COVID-19 reaches more than 60 countries, the World Bank Group is making available an initial package of up to US\$12 billion in immediate support to assist countries coping with the health and economic impacts of the global outbreak.

This financing is designed to help member countries take effective action to respond to and, where possible, lessen the tragic impacts posed by COVID-19.

On March 3, Muhyiddin met senior officials from the Treasury and Ministry of Economic Affairs for a briefing on the country's economic situation.

During the meeting, Muhyiddin ordered the government machinery to pay serious attention to implementing and accelerating the execution of the 2020 Budget and RM20 billion economic stimulus package.

Bank Negara Malaysia, on Tuesday, announced a back-to-back interest rate cut, given the challenging external and domestic environment. At its second policy meeting of the year, the central bank also cut the overnight policy rate by 25 basis points to now 2.5 per cent.

Meanwhile, the ringgit has softened by more than 3.0 per cent since the week of Jan 20 before COVID-19 concerns took over global headlines.

In the past week, domestic political uncertainties, including the resignation of Tun Dr Mahathir Mohamad as prime minister and collapse of the Pakatan Harapan coalition government that led to the deal-making and jostling for power may have aggravated worries over COVID-19.

"We refrain from second-guessing how events might play out from here, but postulate that further, sharp spikes in US dollar/ ringgit due to the political uncertainty alone might be less likely.

"End of first-quarter and end of fourth-quarter forecasts for US dollar/ringgit are at 4.16 and 4.12," Maybank said in its recent foreign exchange Research and Strategy note, adding that the political developments remain fluid at this point.

The upcoming Dewan Rakyat sitting will be heavily watched and turned into a test bed for Muhyiddin to gain support against Pakatan Harapan's possible no-confidence vote against the coalition former ally.

The closest that the parliament got to a no-confidence vote was back in October 2015 where Hee Loy Sian, a former member of parliament from Parti KeAdilan Rakyat filed a private motion against former prime minister Datuk Seri Najib Tun Razak.

The motion was listed as the third last item out of 28 motions. Another no-confidence motion against Najib was resubmitted by Datuk Seri Dr Wan Azizah Wan Ismail, the opposition leader at that time, on behalf of the entire opposition coalition, which was also accepted and listed but not heard by the House.

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