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RUN-UP TO GE14



Will economic or political issues hold sway?

STORIES BY AZAM ARIS, KATHY FONG, JOSE BARROCK AND ESTHER LEE

The outcome of a general election in Malaysia may not be that hard to predict, given that the Umno-led coalition has won every one since independence in 1957. The Barisan Nasional (BN), along with its predecessor — the Alliance Party — is today the longest ruling party in the democratic world.

Will the 14th general election, which must be held anytime between now and August 2018, be any different?

Worldwide trends at present indicate that populism holds sway, and that race and religious issues have become important factors in influencing election results. At the same time, bread-and-butter matters such as employment still dominate many campaigns, while fickle-minded voters, especially the youth, are less easy to figure out.

In the last couple of years, pollsters and major news channels have more often than not got their predictions wrong.

David Cameron had called for a referendum on whether Britain should remain in the European Union as he believed

the British people would be all for it. What he got instead was a vote in favour of Britain exiting the EU, or Brexit.

Just a year later, his successor, Theresa May, called a snap election, confident that she would strengthen her position and that of the Conservative Party. It turned out to be a setback for the Tories, who lost their parliamentary majority as a resurgent Labour Party surprisingly won over the bulk of young voters.

In between the British election and the Brexit referendum, Donald Trump in the US surprised everyone, including his own Republican Party, when he defeated Hillary Clinton in the presidential election with his populist “America First” campaign.

Voters in France, meanwhile, handed Emmanuel Macron a landslide victory and checked the rise of Marine Le Pen’s far-right party — which came as a huge relief for the liberals of the world.

Will Malaysia’s 14th general election spring any surprises? Can the opposition gain more votes and seats with

such issues as rising unemployment and cost of living and more expensive healthcare as well as cuts in the education allocation? Will the irregularities at 1Malaysia Development Bhd (1MDB), FELDA and its unit, Felda Global Ventures Holdings Bhd (FGV), be enough to convince voters in the Malay heartlands and FELDA settlements to opt for a change?

Or will Malaysians stick to the tried and tested BN that touts political stability and policies that have delivered continuous economic growth, albeit at a slower rate than before, for the larger part of its 60-year rule?

Political strategist James Carville was credited with coming out with the phrase, “It’s the economy, stupid”, when he advised Bill Clinton to focus on economic issues during the US presidential election in 1992. Clinton defeated the senior George Bush, whom many had expected to win after the US had successfully defeated Iraq in the first Gulf War only a year earlier.

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No telling what will happen at the polls

There was great difficulty in getting people to talk to *The Edge* for this cover story. We sent questions to Prime Minister Datuk Seri Najib Razak's office in the belief that he would match anyone the opposition put forward but his executives politely rebuffed our request.

Defence Minister Datuk Seri Hishammuddin Hussein said no via WhatsApp while Youth and Sports Minister Khairy Jamaluddin Abu Bakar declined after several attempts to contact him.

While we know that *The Edge* is a business publication and not part of mainstream media, we thought our cover story would give the ruling Barisan Nasional (BN) coalition an opportunity to show how it has fared as the incumbent government and how confident and equipped it is to face the next general election.

Some of the others who declined were former deputy prime minister Tun Musa Hitam, former minister of finance Tun Daim Zainuddin (who was travelling) and former minister of international trade and industry and Wanita Umno chief Tan Sri Rafidah Aziz (who said she did not want to talk about politics but asked us to look out for her blog postings).

On the other side of the divide, Datuk Seri Dr Wan Azizah Wan Ismail, the opposition leader in Dewan Rakyat, and Selangor Menteri Besar Datuk Seri Mohamed Azmin Ali did not respond to requests to be interviewed. But Parti Keadilan Rakyat vice-president and director of election Nurul Izzah Anwar had a session with us.

Second Finance Minister Datuk Seri Johari Abdul Ghani gave us a quick interview over lunch, and his answers were short, factual and to the point.

None of those interviewed was sure when the election would be held, but then again, that is the sixty-four-thousand-dollar question.

Some quarters familiar with the government say Najib will call it in March next year, others say he may wait till the last possible date — Aug 24, 2018. But the ma-

majority are of the view that it will be around October this year — after the Southeast Asian Games, which is slated to be held between Aug 19 and 30 (see infographic).

With Malaysia likely to do well because of home ground advantage and our 60th Merdeka celebrations following closely behind, the feel-good factor could be brewing, which means a snap election could be called.

Two years ago, Singapore hosted the SEA Games and the government rallied its people after coming in second — their best-ever performance in the Games' history — and went to the ballot box. The Games ended in mid-June and the election was called three months later in mid-September.

The ruling People's Action Party did its best since 2001 with 69.86% of the popular vote — up 9.72% from the 2011 election.

However, in Malaysia, there are many other issues, one of which is the presence of former prime minister and Najib's harshest critic, Tun Dr Mahathir Mohamad, as part of the opposition.

The Mahathir factor

Seeing Mahathir on the same stage as DAP supremo Lim Kit Siang must have come as a shock to many Malaysians, what more his handshake with his political nemesis Datuk Seri Anwar Ibrahim.

Mahathir even signed a petition to free Anwar from jail at the PKR national congress last month, which is ironic, considering that Anwar was jailed for sodomy the first time round — which many believed was a trumped-up charge — when Mahathir was the prime minister.

Former finance minister and a political adversary of Mahathir, Tengku Razaleigh Hamzah, or Ku Li as he is better known, tells *The Edge*, "Well, Mahathir can do anything, you know. He can somersault and he can jump ... [and] he'll do it even if he's 150 [years old]. He's a political animal."

Nevertheless, some political observers feel that Mahathir, who ruled the country for 22 years, could be a game changer for Pakatan Harapan (PH) and could open

doors for the opposition to get into the Malay heartland, notably the FELDA settlements — Umno strongholds — that comprise the majority of over 54 constituencies.

But did Mahathir do the right thing by joining the opposition? One seasoned businessman says Mahathir made a mistake in partnering DAP and the rest of the opposition. He believes the former premier should have done a deal with PAS, which would not have divided the Malays. "I believe many Malays are united against Mahathir ... seeing him on stage with old foe Kit Siang was the last straw. I, for one, have lost all respect for Mahathir."

But some political observers feel that many Malays in the urban, semi-urban and even rural areas might think twice about voting for Umno this time round because Mahathir is still well regarded and respected as a leader of the Malays and who has done a lot for the community and Islam.

The opposition's equation

DAP national political education director Liew Chin Tong says the decision by Mahathir's new party — Parti Pribumi Bersatu Malaysia (PPBM) — to become a part of PH or an opposition coalition without PAS is the right one.

He says the main battle will be for Peninsular Malaysia because both Sabah and Sarawak — which want more autonomy as evident in their recent demand for English-medium schools, their opposition to the Syariah Courts (Criminal Jurisdiction) Act 1965 (RUU355), Sarawak's withdrawal from the Malaysia Tourism Board because of the tourism tax, issues of higher oil royalty and the setting up of state oil corporations — will swing with whoever gets the majority in the peninsula. In short, they are neither fixed deposits for the BN nor do they want to be dictated to by Umno and could become the kingmakers.

Umno won 88 seats in total in 2013 — 73 of them in the peninsula. Of the 73 seats, Umno is guaranteed 30, including in areas like Pekan, Mersing, Pengerang and Rompin.

Liew and his fellow PH election

analysts believe about 43 seats are still up for grabs. Liew says in these constituencies, 60% to 70% of the voters are Malays, although many of them have at least 30% non-Malay voters. "In these areas, if you don't win the non-Malay votes, and let's say the Malay votes are split 50:50, you will still lose. But if you secure a high percentage of the non-Malay votes and the Malays are split equally [even if there is a three-cornered fight between Umno, PAS and Bersatu/Amanah/PKR], then you have a chance to win."

Najib shows his strengths but still overall popularity drops

At the Umno general assembly in December last year, Najib, in a fiery speech to 2,729 delegates, labelled Mahathir's decision to quit Umno and set up PPBM as the ultimate betrayal of the party, the race and the country. One delegate says Najib's speech gave him goose pimples.

The prime minister has also been generous. Recently, during a visit to FELDA Sayong in Johor, he announced a cash incentive of RM500 for each FELDA settler's family and an additional RM280 from Felda Global Ventures Holdings Bhd (FGV).

This was over and above the quarterly 1Malaysia People's Aid (BR1M) 2017, the second payment of which was made on June 5. Najib also announced this month the government's plan to offer free digital television decoders to 4.2 million BR1M recipients in Malaysia in phases until the end of next year. The decoders are worth RM199 each.

Nevertheless, Najib's popularity has taken a turn for the worse. The going has been tough, largely as a result of the many issues plaguing the country, such as the lack of transparency and losses at 1Malaysia Development Bhd, the poor performance, management and perceived leakages at FGV, which could have an impact on FELDA settlements and the rising cost of living partly brought about by the removal of subsidies and the implementation of the Goods and Services Tax.

In October 2015, Najib's government lost the approval of the majority of Malay voters for the first time; news reports citing a Merdeka Center survey said only 31% of Malay voters were satisfied with the government. In January 2015, Malay voters' approval of the government stood at 52%. Now, the government's overall approval rating is down to a mere 23%. By comparison, when the 13th general election was held in May 2013, the government's approval rating was 43%.

Granted, the BN and Najib face many problems but the opposition is in no better shape.

And despite a tough fight from the opposition, Najib still led BN to victory in the last general election.

"At the risk of sounding patronising, at this moment, in my opinion, there is no likelihood of the opposition being able to offer any alternative as they lack 'cohesiveness' compared with BN. Further-

more, I cannot see the opposition parties reaching a consensus on who should be their candidate for prime minister before GE14," says Second Finance Minister Johari.

Opposition's woes

While the opposition seems shaky on all fronts, Mahathir, in an exclusive interview with *The Edge*, warns, "Yes, it looks pretty shaky but believe me, it's not as shaky as made out to be."

But there seem to be many issues that the opposition has to deal with.

The deaths of former Kelantan menteri besar and PAS spiritual leader Datuk Nik Abdul Aziz Nik Mat or Tok Guru in February 2015 and Bukit Gelugor MP and former DAP national chairman Karpal Singh in April 2014 had an adverse effect on the coalition, while the jailing of Anwar for sodomy for the second time was an even bigger blow.

Political observers believe that if Tok Guru had not died, PAS would not have pulled out of the opposition coalition. The party's decision to leave the opposition coalition revolved around RUU355, a private member's bill tabled by Marang MP and PAS president Datuk Seri Abdul Hadi Awang. Though not firmed up yet, Umno has courted PAS by sending the Islamist party signals that it would support RUU355, which aims to increase the power of the shariah courts.

But without the support of Sarawak and Sabah BN, it is unlikely that Umno will support the bill. This issue and the pulling out of the opposition coalition have caused a lot of dissatisfaction among the PAS grassroots, especially those in the urban areas who think Umno is taking the party and Hadi for a ride. PAS itself seems to be split into three factions despite the "progressive" group having left the party to form Parti Amanah Negara and join forces with PH.

As at end-April, PAS deputy president Datuk Tuan Ibrahim Tuan Man had made clear that his party would not work with DAP and Amanah, and would not consider a coalition state government with opposition members. PAS says it will go it alone in the next election but Hadi's closeness with Umno's top leaders seems to indicate that there may be some cooperation between the two parties.

But then again, Hadi had a valve replacement surgery in May and may be out of action for as long as six months.

Another issue for the opposition is Penang Chief Minister and DAP secretary-general Lim Guan Eng's ongoing corruption case, which could end in jail time. It is also known that opposition leader Wan Azizah does not get along with Selangor Menteri Besar Azmin.

So, against this backdrop — a BN that is not strong, a weak opposition, a possible three-cornered fight that will split the Malay votes further and a Sarawak and Sabah that want more autonomy — it is anybody's guess what will happen in GE14. **E**

WHEN WILL THE ELECTION BE CALLED?

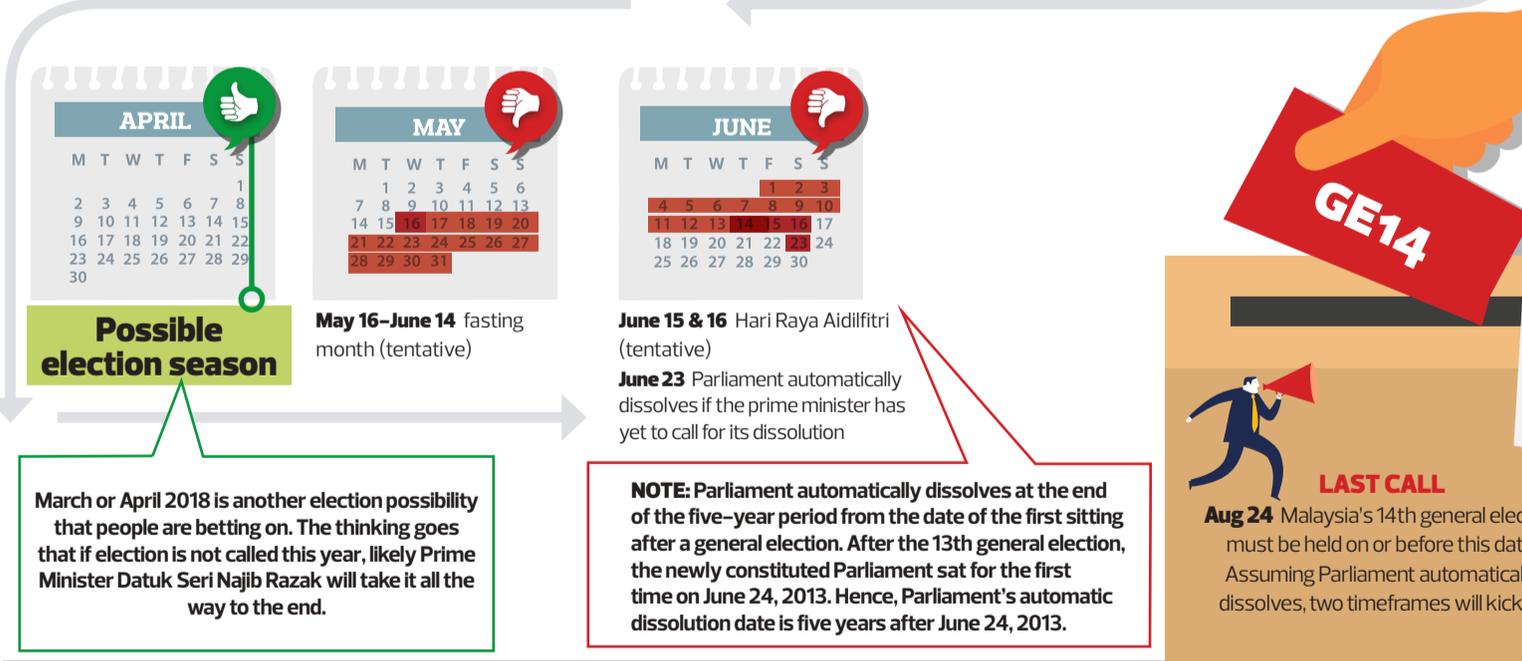
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PAST GENERAL ELECTIONS

- GE1 Wednesday, Aug 19, 1959**
Tunku Abdul Rahman (Alliance Party)
- GE2 Saturday, April 25, 1964** Tunku Abdul Rahman (Alliance Party)
- GE3 Saturday, May 10, 1969** Tunku Abdul Rahman (Alliance Party)
- GE4 Saturday, Aug 24, 1974 to Saturday, Sept 14, 1974** Tun Abdul Razak Hussein (Barisan Nasional, the successor to the Alliance Party)
- GE5 Saturday, July 8 to Saturday, July 22, 1978** Tun Hussein Onn (Barisan Nasional)
- GE6 From Thursday, April 22 to Monday, April 26, 1982** Tun Dr Mahathir Mohamad (Barisan Nasional)
- GE7 Saturday, Aug 2 & Sunday, Aug 3, 1986** Tun Dr Mahathir Mohamad (Barisan Nasional)
- GE8 Saturday, Oct 20 and Sunday, Oct 21, 1990** Tun Dr Mahathir Mohamad (Barisan Nasional)
- GE9 Monday, April 24 and Tuesday, April 25, 1995** Tun Dr Mahathir Mohamad (Barisan Nasional)
- GE10 Monday, Nov 29, 1999** Tun Dr Mahathir Mohamad (Barisan Nasional)
- GE11 Sunday, March 21, 2004** Tun Abdullah Ahmad Badawi (Barisan Nasional)
- GE12 Saturday, March 8, 2008** Tun Abdullah Ahmad Badawi (Barisan Nasional)
- GE13 Sunday, May 5, 2013** Datuk Seri Najib Razak (Barisan Nasional)



For one, Barisan Nasional can ride the feel-good sentiment flowing from the SEA Games and Asean Para Games as well as the Malaysia Day celebrations. What's more, the government has slated late October to table Budget 2018 in Parliament. November does not seem likely as Najib has committed to attend the Asia Pacific Economic Cooperation leaders' meeting in Vietnam. Year-end is not preferable as it is the monsoon season in the east coast.



Datuk Seri Johari Abdul Ghani, Finance Minister II

BN always emerges stronger after a testing time

The Edge: How do you think the Barisan Nasional (BN) will fare in the [next general election]?

Datuk Seri Johari Abdul Ghani: I am confident that the BN will continue to govern post-GE14. If you look at the Sarawak state election in May last year, and more recent to that, the Kuala Kangsar and Sungai Besar by-elections (June 2016), despite all the 'noises', BN still managed to win with more than a two-thirds majority in Sarawak and commanded very healthy wins in both Kuala Kangsar and Sungai Besar.

Many say that this will be the BN's strongest test to date.

If we were to look at our recent history, I remember the period when the BN had to face a string of issues in the 1990s, especially in the aftermath of the sacking of Datuk Seri Anwar Ibrahim, which spawned the Reformasi movement. It was also the time when the country was facing the Asian financial crisis. At that time, there were people who said that 'this is Barisan Nasional's strongest test'. My comment would be, BN emerged stronger each and every time we were tested as we were willing to learn from our mistakes and shortcomings. I am confident that the BN will continue to get the mandate from the rakyat.

Several senior leaders have left the BN. How much of an impact do you think this will have?

The issue of people leaving and joining other political parties is common in a democratic country. The BN is not unique; there have been cases of people leaving the opposition parties as well. Even newly formed political parties like PAN (Parti Amanah Negara) and PPBM (Parti Pribumi Bersatu Malaysia) were not spared from instances of members leaving. In a democratic country, changing one's political allegiance should not be seen as the death knell for any particular political party; it is just healthy democracy. At the end of the day, the power of the rakyat will determine which political party will govern the country.

Since the last general election in 2013, how do you think the BN has fared in terms of governing the country?

The BN has proved itself again and again as the foremost choice of the rakyat when it comes to forming the government. Although I cannot deny there are weaknesses here and there in the system, overall, despite all the challenges, the BN is still able to provide political stability and continue to grow the economy without fail.

Do you think issues such as 1MDB have weakened the government? Any other areas you think the government has failed?

The 1MDB issue has admittedly created an unfavourable perception, but I am confident that we will overcome this in due time as long as we are focused in what we are doing now. The government has taken note of the weaknesses that came to light with the 1MDB, especially in respect of how companies operate. As I have said before,



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1MDB suffered from weak management, poor corporate governance and wrong business model. There are lessons to be learnt from this experience. There may be other areas within the government system that can be improved, but we are surely far from the stage where the government is deemed to have failed in managing the country.

How has the economy been since 2013?

As far as the economy is concerned and notwithstanding lingering external factors such as the volatility of commodity prices, particularly global oil prices, anticipation of further hikes in the US interest rate, China rebalancing its domestic economy, Brexit, ongoing geopolitical tensions in some parts of the world, we still managed to record continued expansion in the economy. From 2013 until 2016, the economy continued to record positive growth rates of 4.7%, 6%, 5% and 4.2% respectively. For 2017, we expect GDP growth to be better, at 4% to 5%. We also managed to diversify our economy, with the services sector forming 54% of our economy; 23% in manufacturing; 9% in the mining sector, including oil and gas; 8% in agriculture; and 4.5% in the construction industry. In terms of government revenue, in 2013, oil-related revenue was about 41% of total government revenue, but in 2016, it was only 14%.

From a total trade of RM1.4 trillion in 2013, we have managed to grow to RM1.5 trillion in 2016 with what can only be described as a well-diversified trade structure across products and markets, and we have also made our country open to the world.

“Integrity, transparency and good governance are key to bringing the country to the next level as a developed economy.”
— Johari

As far as our trade diversification is concerned, China makes up 16% of our trade; the European Union, about 10%; the US, at 9.2%; Japan, 8%; and Asean, the largest, at about 27%. I would say that despite the challenging environment, we are doing pretty well and I am very confident that we will continue to prosper in light of improving global economic outlook.

Are there any urgent measures that need to be taken in governing the country?

Integrity, transparency and good governance are key to bringing the country to the next level as a developed economy. We also need to manage our government expenditure so that every ringgit we earn from taxpayers will be productively spent for the development of the country and economy. Further, we need to make sure the gap between the rich and the poor, or income inequality, be minimised by having a more inclusive growth. Inclusivity also means that the government should be mindful of the impact of the rising cost of living on the rakyat while effectively managing inflationary pressure. All of these will create a good economic environment and boost investor confidence to continue investing in Malaysia to stimulate economic activity and create employment opportunities for the rakyat.

Do you think Sabah and Sarawak will remain safe-deposit states for the BN?

I don't subscribe to the notion of safe deposit states in politics. You can no longer take the rakyat for granted. Nevertheless, based on the performance of the BN in the recent Sarawak state election, I am confident that the people of Sarawak and Sabah will continue to give their mandate and support to the BN.

There are views that without PAS and in an environment of three-cornered fights, there is no hope for the opposition to win. What do you think?

I am not privy to the composition of voters in all [constituencies in] the country. We must, however, acknowledge that we are facing a more sophisticated and savvy [generation of] voters whose outlooks correspond with those of the rest of the world. The political landscape of the country and its fate will ultimately be crafted and decided by the voters. No political party can take the voters for granted and their expectations of leaders are ever increasing. Whether you have straight or three-cornered fights, it ultimately depends on the ability of the parties and the candidates to convince the voters.

In your opinion, does the opposition offer any alternative?

At the risk of sounding patronising, at this moment, in my opinion, there is no likelihood of the opposition being able to offer any alternative as they lack the 'cohesiveness' compared with the BN. Furthermore, I cannot see the opposition parties reaching a consensus on who should be their candidate for prime minister before GE14. ■

Tengku Razaleigh Hamzah, MP for Gua Musang

I think the same party will come back to power

The Edge: You won't be contesting in this election?

Tengku Razaleigh Hamzah: I have been in Parliament for over 45 years. I have been in Umno for over 60 years with a short break (when Umno was declared illegal in 1988 and he formed Semangat 46). I don't aspire to anything anyway. A person has to be very ambitious to be in politics. I no longer have that ambition.

Your name always pops up as a candidate, though.

Because [I guess] they have no other name.

From your experience in Umno, what is wrong with the party today?

It has lost its way. Umno was formed to fight for the rulers and for the Malays who were left behind [politically and economically] during colonial times. After independence, Tunku Abdul Rahman, under his leadership with his team, made Umno the leader of the country, looking after not just the Malays but everybody. But of late, it doesn't seem to be that way. People have become too materialistic. And people think it is only through their position in politics that they can gain extra wealth. And so they go all out to secure a position of influence in politics. When they get there, of course they want to maintain their position.

And then the other side of things, whether Umno can continue. I'm sure it can continue but whether it will regain the regard and respect it used to enjoy, that's another big question mark. You are not attracting good people, intelligent people, or seasoned people or those with high moral values, so where do you go from here?

What can Umno do better?

It must go back to the old ways. We were never corrupt. It was not like it is today. We always told the truth, we spoke the truth. Can't we go back to that? And let's embrace everybody. And bring in new talent, for heaven's sake.

Is Malaysia a difficult country to manage?

It's not easy because, for one, it is a multiracial [and multireligious] society. When we gained independence, the leaders then were determined to prove to the world that they could make something out of the country, which they did. People rallied around their leadership and that is how we defeated the communist insurgency.

But of course, later we had to accommodate the demands for the politics of race and religion. We had to give them their say, and this is what we have inherited. This is the problem. We must put a stop to it if we want to unite the country and have a democratic, united country.

What do the people want from the government today?

I don't think the people want much from the government. The people want the government to govern, not to dictate. The people are clever and wise enough to do things for themselves. Governance must be upright and the government must uphold the constitution.

How has Barisan Nasional fared in governing the economy?

Well, it's a free enterprise [economy] but there is intervention by the government in how wealth is distributed and the balance needed to ensure certain sections of the economy are looked into. In this regard, there is steady



“The people want the government to govern, not to dictate. The people are clever and wise enough to do things for themselves.”

— Tengku Razaleigh

intervention. It may not be done in the way people expect, and I think the people must have a greater voice in this because, after all, the government is spending [the taxpayers'] money in its interventionist policies.

By and large, the government has done the right thing but it has not achieved the expected results, partly because some civil servants are not enterprising enough to run industries or commercial enterprises (those owned by the government). The economy is now more diversified and it opens up more opportunities for people, but of course there are accusations of cronyism and nepotism. I admit there is ... there are pitfalls and we ought to get rid of all this. I'm against it. The people must guide the government and tell it that these are things they do not encourage or want it to continue.

There is feedback that the government is not listening to grouses about corruption, wastage of resources and leakages in the economy.

Well, there are two things — the budget deficit may not necessarily be due to leakages. It could be because of borrowing too much or overextended spending. In order to finance the deficit, the government borrows. In my time, the government did borrow but we were never in continuous deficit for a long period. Currently, the budget has been in deficit since 1997.

We borrowed in order to fulfil our requirements. I admit there are leakages and that is corruption. You cannot deny there is corruption. The problem is that the big fish have not been caught; they are catching only the little ones. We have to plug the holes and stop this nonsense once and for all.

Do you think issues such as 1Malaysia Development Bhd have weakened BN?

Yes and no. You see, 1MDB is an issue which has not yet been proven [in Malaysia]. None

of the accusations have been proven, none of the people who have been openly accused have been detained, arrested or brought forward to answer the questions that were raised. But I don't think it has escaped the attention of the people. Even the rural people have taken note of what has happened. But whether it has influenced their thinking, that is another thing.

The people are concerned about the high cost of living.

Yes. It's not just the rising cost of living but the government has cut allocations for important things like healthcare and education and ministries are experiencing difficulties with how to adjust. We have come to a stage we have not experienced before.

So what do you think is the cause of this?

One word — mismanagement.

What is your view of what Malaysia can be?

I thought we would have achieved this some time ago, not now after 60 years of existence. I thought after 25 years, 30 years at most, when we had oil and everything, we could have achieved that status where our people would have a very well-rounded education. This sense of belonging to racial groupings would have disappeared and we could have become one, including Sabah and Sarawak. We should have become richer than Singapore, talking about the per capita income of our people. The government income from Petroliaam Nasional Bhd [and other oil companies] alone over the last 30 years [is enormous]. We could have been like Norway (its oil sovereign fund is about US\$900 billion). During the peak of oil prices [when they touched US\$147 a barrel in 2008 and remained above US\$100 a barrel for most of the time until 2014], the government was getting RM90 billion a year from Petronas [and the oil industry] ... Where has that money gone?

What is your view on the next general election?

I'm not a prophet but I think the same party will come back to power because the opposition [parties] are not together.

What is your view on this Sarawak for Sarawakians, Sabah for Sabahans thing. Are these states still safe deposits for BN?

They have always been saying that, even before the formation of Malaysia. Yes, it looks like it. But I think the situation in Sabah is a bit different from Sarawak.

This might be BN's toughest challenge.

It's always the toughest challenge. Even the 13th [general] election was tough. The easiest was when [Tun] Dr Mahathir [Mohamad] left because people were fed up [with him]. Sadly, [Tun] Abdullah [Ahmad Badawi] didn't take the opportunity and we are back in the same rut.

Some Malaysians say we may need a new government.

Some say, but will the [majority of] people respond to that wish? It doesn't seem like it's going to happen. You look at the opposition parties, they all have problems. [There is] not one party in the opposition that doesn't have a problem. So how do you get your act together and go ahead and tell the people, 'I'm replacing this government'? People might say, forget about this [opposition] and let's go with this government.

Do you think having Mahathir in the opposition makes much of a difference?

He is still [the same] Mahathir, whether he is in the opposition or not. Look at the party he's formed. There is a post for president ... but he is the chairman and runs everything. That's Mahathir for you. ■

KENNY YAP/THE EDGE

RUN-UP TO GE14

WHAT INFLUENCED THE GENERAL ELECTION RESULTS — THE ECONOMY OR POLITICS?

ELECTION DATE	EPF DIVIDEND IN THE YEAR PRECEDING THE POLLS (%)	ASB (THE YEAR PRECEDING POLLS)		PETROL PRICES		BR1M FOR HOUSEHOLDS WITH INCOME < RM3,000 (RM)	CIVIL SERVANTS' PAY RISE, BONUS AND OTHERS	EXCHANGE RATE US\$/RM	GDP GROWTH RATE (%)	FIXED DEPOSIT RATE — 3 MONTHS (%)	BASE LENDING RATE (%)	CPI GROWTH RATE (%)	UNEMPLOYMENT RATE (%)	PER CAPITA INCOME		FEDERAL REVENUE RM BILLION
		DIVIDEND (SEN)	BONUS (SEN)	RON 97 (RM)	RON 92/ RON 95 (RM)									RM	US\$	
Nov 29, 1999	6.7	8	2.5	1.10	1.06	—	Income tax for 1999 waived. Announced during the tabling of the Budget in October 1998.	3.8	3Q1999 9.1	3.33	6.79	Oct 1999 2.1	3Q1999 2.9	12,305	3,238	58.1
March 21, 2004	4.5	7.25	2	1.35	1.31	—	Additional half-month bonus. Total bonus given equivalent to a month's salary.	3.8	4Q2003 6.8	3.0	6.0	Feb 2004 0.9	4Q2003 3.2	16,616	4,373	99.4
March 8, 2008	5.8	8	1	1.92	1.88	—	1. Civil servants received revised salaries with pay rise between 7.5% and 42%. 2. 100% increase in cost of living allowance (RM300, RM200 or RM100 — depending on location).	3.19	4Q2007 7.3	3.14	6.72	Feb 2008 2.7	4Q2007 3.0	25,784	7,737	159.4
May 5, 2013	6.15	7.75	1.15	2.90	1.90	500	Bonus of 1.5 months' salary: half-month paid during Aidilfitri 2012; half-month given in December 2012; and final half-month in January 2013.	3.04	1Q2013 4.3	2.97	6.53	April 2013 1.7	1Q2013 3.1	31,844	10,106	213.1

WHERE WE ARE NOW...

2016/2017	5.7	6.75	0.5	2.24 as at June 15, 2017	1.98 as at June 15, 2017	1,200	1. Adjustments to civil servants' salaries to at least RM1,200 2. Special assistance of RM500 to civil servants	4.26 as at June 15, 2017	1Q2017 5.6	2.93 as at April 2017	6.65 as at April 2017	April 2017 4.4	March 2017 3.4	37,738	9,096	212.1
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Rising cost of living continues to be a sore point for many Malaysians

FROM PAGE S1

To the ruling BN coalition's credit, Malaysia has chalked up continued economic expansion in spite of a slew of external factors that have shaken economies globally over the past few years. The Malaysian economy has managed to weather the volatility in commodity prices, in particular, crude oil prices, expectation of US interest rate hikes and an economic slowdown in China, among others.

Malaysia has a good record in

managing severe financial and economic downturns such as the Asian financial crisis of 1997-98 and the global recession of 2008.

Second Finance Minister Datuk Seri Johari Abdul Ghani highlights this point when asked how the economy has fared since 2013.

"From 2013 to 2016, the economy continued to record positive growth rates of 4.7%, 6%, 5% and 4.2% respectively. For 2017, we expect GDP growth to be better, at 4% to 5%. We also managed to diversify

our economy with the services sector forming 54% of our economy; 23% in manufacturing; 9% in the mining sector, including oil and gas; 8% in agriculture; and 4.5% in the construction industry.

"In terms of government revenue, in 2013, oil-related revenue was about 41% of total government revenue, but in 2016, it was only 14%," he says in an exclusive interview with *The Edge* (see Page S4).

In past elections, economic issues have influenced how Malay-

sian vote, save for the 1999 election when a high number of Malays voted against Umno because of its treatment of former deputy prime minister Datuk Seri Anwar Ibrahim. However, Chinese voters opted for stability, ensuring that BN continued its rule.

In the run-up to the 11th general election in March 2004, the Malaysian economy was thriving, as evident from the 6.8% gross domestic product growth year on year in the fourth quarter, and ro-



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RUN-UP TO GE14

FEDERAL GOVERNMENT FINANCES							KL EMAS INDEX		ISSUES	ELECTION RESULTS				
REVENUE (IN RM BILLION)	OVERALL SURPLUS/ (DEFICIT) (IN RM BILLION)	SURPLUS/ (DEFICIT) AS % TO GDP	CLOSE ON DAY AFTER ELECTION	% INCREASE/ (DECREASE)	NOTE		VOTES (%)	PARLIAMENTARY SEATS	VOTES (%)	TOTAL PARLIAMENTARY SEATS	STATES IN THE SPOTLIGHT			
							BARISAN NASIONAL	OPPOSITION						
238	58.7	(9.5)	(3.2)	5,448.2	(1.3)		56.5	148	45	43.5	193	Opposition retained Kelantan and captured Terengganu. Made headway in Kedah and Selangor.		
373	99.4	(19.4)	(4.3)	6,393.2	0.4	Closed at a one-year high on March 22, 2004.	63.8	198	21	36.2	219	Abdullah led BN to a landslide victory. It regained Terengganu and lost narrowly in Kelantan. MCA won big too and PKR was left with one seat.		
737	159.8	(35.6)	(4.8)	7,961.8	(9.5)		51	140	82	49	222	Opposition won Penang, Kedah, Perak, Selangor and Kelantan and for the first time denied BN a two-thirds majority in Dewan Rakyat.		
1,106	213.4	(38.6)	(3.9)	11,980.3	3.7	Closed at a one-year high on May 6, 2013.	49	133	89	51	222	BN recaptured Kedah and retained Perak, which it wrested from the opposition after defections in 2009 but failed to get a two-thirds majority yet again. It also lost the popular vote.		
1,096	212.4	(38.4)	(3.1)									The ringgit has plunged dramatically against the US dollar since crude oil prices fell from a high in mid-June 2015. It is now at levels lower than that seen during the Asian financial crisis. Rising cost of living and the GST remain a sore point among Malaysians. The troubles in FELDA and FGV do not help. Also, the 1MDB debacle continues to make international and local headlines.		

bust growth in the previous quarters. Inflation was low and the country recorded full employment.

After 22 years of Datuk Seri (now Tun) Dr Mahathir Mohamad's rule, the country had a new prime minister in Datuk Seri (now Tun) Abdullah Ahmad Badawi. Abdullah's new approach, particularly in allowing greater freedom of expression, gave rise to a feel-good factor, and he went on to win by a landslide, with the BN registering its biggest ever victory.

But the feel-good factor quickly dissipated as the rising cost of living and an increase in petrol prices caused hardship to the rakyat. At the same time, certain factions within Umno wanted him out.

In 2008, BN suffered a major reversal, losing its two-thirds parliamentary majority and five states. Going into the 2013 election, Umno was led by new president and Prime Minister Datuk Seri Najib Razak. It was the first election after the removal of petrol



subsidies and the high cost of living remained a common grouse. BN failed to regain its two-thirds parliamentary majority but won back Kedah and retained Perak.

Ahead of GE14, while the opposition is struggling to show a united front, its leaders claim voters are more restless than before.

"The ground is fertile for a change. People are angry over many socioeconomic issues," says Datuk Rais Hussin Mohamed Ariff, strategist for Parti Pribumi Bersatu, the splinter party of Umno.

Despite efforts such as BR1M handouts, the rising cost of living, caused in part by the GST, the weak ringgit and cut in subsidies, is a sore point.

Issues like 1MDB and FELDA add to the issues the BN has to grapple with. Among urban Malaysians, 1MDB is seen as an example of mismanagement and corruption at the highest level.

After a rough two years, the economy appears to be picking up

pace with a better than expected performance in 1Q2017. The stock market is showing some buoyancy, while the ringgit has strengthened in recent months.

If James Carville is right that elections are won or lost over the economy, the BN should call snap polls soon. Or should it wait till 2018 if it is confident of further improvements in the next 6 to 12 months?

The risk of waiting is that the economy may slow again. And the opposition will have time to rally around 92-year-old Mahathir, under whose watch Malaysia enjoyed a golden era of economic growth.

GE14, whenever it is held, will undoubtedly be the mother of all GEs pitting Najib against Mahathir. It is a classic master vs student showdown, but the student has the power of incumbency and, what appears to be an improving economy, in his favour.

RUN-UP TO GE14

Tun Dr Mahathir Mohamad, Parti Pribumi Bersatu Malaysia chairman

MOHD SHAHRIN YAHYA/THE EDGE



“There's nothing similar at all between Najib and myself.”
— Mahathir

We will offer good governance

The Edge: You are quite confident that Barisan Nasional (BN) can be defeated. Where does this confidence come from?

Tun Dr Mahathir Mohamad: In 2004, BN did extremely well and that was supposed to be because of the new prime minister, Tun Abdullah Ahmad Badawi. But in 2008, Pak Lah lost five states. [When] current prime minister Datuk Seri Najib Razak took over, we expected him to do better but, very surprisingly, [he] did worse. There were a lot of things against Pak Lah [in 2008] but in 2013, Najib did not have too many issues.

Today, there are many issues. One is, of course, 1MDB (1Malaysia Development Bhd)... billions of dollars have been lost and there is no proper audit and [there is the role of] Jho Low. These are issues which even people in the village now understand. The assumption that they do not understand is not valid anymore. They understand, at least, that huge sums of money have been lost.

Then, of course, there are the things which have burdened the people [directly]. We have the goods and services tax [GST], unemployment, reduction in the number of scholarships, less infrastructure being done except for the mass rail transit and

light rail transit [projects]. The high cost of living is disliked by a lot of people... ikan kembung costs RM18 per kilo... there are so many issues that the government cannot possibly answer.

Then there is this sale of Malaysian land to foreigners — the sale of [power assets of] Edra [Global Energy Bhd], which are energy assets owned by Malaysians, to foreigners. And with respect to China, the government's action is not to be non-aligned anymore where, before, we were free to be neutral [in our foreign policy].

Other issues include [poor] management of Felda and Tabung Haji, loss of money by Retirement Fund Inc (KWAP) and SRC [International Sdn Bhd] — all these things will be issues the government will have to handle in the election.

The Felda issue is about how FGV (Felda Global Ventures) performed since the listing?

Felda people have lost money. Settlers were asked to buy the shares at RM4.40 and now it's down by a few ringgit.

The opposition also looks pretty shaky...

Yes, but believe me, it's not as shaky

as made out to be. Yes, we have internal problems and we have inter-party problems, but we have got together and Bersatu has become part of the coalition. We accept the leadership of the presidents of the parties, we are working on the constitution, we are going to use one symbol for our party, we have agreed that we should field only one person for each constituency — all these things have been agreed but, of course, the next move is how many seats for whom, and where.

There may be some disagreements on other things but all have become minor relative to the need for Najib to be unseated.

In this scenario, where does PAS fit in?

PAS is a spoiler, it has always been a spoiler, it has never achieved anything. What has PAS done for Islam except to weaken the Muslims? They did not create the Islamic university, Islamic banking, the Takaful or Tabung Haji to facilitate haj, for example.

All these were not done by PAS. They have condemned people who do not join them as being infidels — kafir — and that serves to divide and weaken the Muslims. They have been able to split the Malay Muslim votes, so much so that they too have become weakened.

So, you are not seeing [PAS splitting from Pakatan] as an advantage to Umno?

It is an advantage to Umno, of course, but even if PAS were to join the opposition coalition, they might demand a huge number of seats, which they cannot win. Historically, their performances were good only when DAP supports them and it is part of a coalition.

Indirectly, [PAS] is now working for Umno.

What do you think about the East Malaysian states, Sabah and Sarawak?

Sabah and Sarawak are very insular. They talk about Sarawak for Sarawakians and Sabah for Sabahans, which is one reason we have not gone there. Umno is not popular because it is regarded as a peninsular organisation. So, we are leaving that to them (Sarawakians and Sabahans) to decide.

There is a view that the voters are facing political and election fatigue.

I don't know about fatigue, but from the number of people who attend all these rallies that we have, they don't seem to be tired at all to hear me talk about 1MDB and other issues. I must admit that even as president of Umno, I never had that kind of audience,

Liew Chin Tong, DAP strategist and MP for Kluang

BN is weak, but opposition is not strong

KENNY YAP/THE EDGE



and most parties never get that kind of audience. But today people are incensed at the government. So, it can't be because they are tired. They are not tired; they are looking forward to this general election.

About 1MDB piling up debts of over RM40 billion, there are people who say that this is just a fraction of the country's GDP, so it is no big deal...

The country can borrow money, but it can borrow money only when it can repay, and the money is to be invested. It is quite clear that the money borrowed cannot be repaid.

A country should have a deficit up to a certain amount but not so much. 1MDB borrowed over RM40 billion but has recovered RM12 billion by selling Edra energy assets, which used to be owned by Malaysians but is now owned by foreigners. The government wants to borrow RM55 billion for the East Coast Railway Line (ECRL), and for the High Speed Rail (HSR), the quotation given in the newspapers range from RM40 billion to RM80 billion.

We cannot afford these things. It will take you 30 years to repay the loan, so it is a serious matter. Don't say it is a small sum.

But the ECRL is an infrastructure project.

These are not infrastructure projects as they are not necessary. To travel from Kota Baru to KL by train [now] will take you almost 12 hours, but people can fly. Today, low-cost airlines fly between Kota Baru and KL and many other places, and it takes half an hour to go anywhere from Kota Baru. Why should they take the rail?

The east coast is not well known for producing a lot of goods to be transported by rail. It doesn't make sense as the greater consumption is in the west [coast]. Why should you produce in the east? You only increase the costs; besides, if you want to export, there's Kuantan Port. Why do you have to build a railway to Port Klang when Kuantan Port is there?

Just imagine, you borrow RM55 billion to finance the construction and buy the rolling stock from Chinese companies, because they are now tied to the Chinese companies. And after [we] have paid for all these, [we] still have to pay for the money [we] owe, which is RM55 billion. How do you pay that? It is not easy.

So, you are saying we can't finance development through borrowings...

Borrowings are all right if you can use money to make a profit. You don't borrow to spend. It is very damaging. Even for yourself, you don't borrow money to pay for your food every day. You borrow money to invest, yes.

In the 1980s, you initiated the Look East policy, centred on us emulating Japan, South Korea and Taiwan, but today you are critical of [Malaysia working closely with] China...

We can learn a lot from China, they have made tremendous advances. But learning from other countries does not mean selling our assets to them. The Japanese did not buy our assets. We

sold small parcels of land to build factories... that is a foreign direct investment. But that is not selling property. The factory is important as it creates jobs for our people. But here you are selling land for people to build cities where they can come and live, which is not foreign direct investment; it is selling assets.

But there are some quarters who think that during this economic slowdown, it's good to have foreign direct investment from China, notably to build infrastructure.

That is not foreign direct investment. Foreign direct investment is about capital and technology coming in here to produce things in Malaysia and employing Malaysians, with Malaysians running the companies. Now, money [is] coming in mainly to buy land, property and to develop cities where we cannot live in because it's too expensive. It's going to be lived in by expatriates, so how do we gain?

When Pak Lah took over, they were saying you had spent too much, and the country was broke.

What is the proof that the country was broke then? I left the country with three conditions: first, I wanted the party (Umno) to be in good shape; secondly, I wanted the economy to be in good shape; thirdly, I wanted the government to have sufficient money to run the country together with development of the country.

I didn't leave the country in shambles.

How is the present state of the economy?

The present economy is not well managed and the [focus] is on being popular. To be popular, you increase the number of civil servants and pay them [big] increments. I never gave any increments of more than 10% and they have been giving up to 25% [over a period of time]. That is why the salary bill is so big, and that is why we don't have the money for development.

Given the current economic environment, if you were the policymaker, what would you do to minimise the adverse impact for the man in the street?

There are a lot of things that can be done. This country is a fantastic country. It doesn't take much skill or cleverness to develop this country. When I stepped down, I had a lot of ideas, but I thought I had been in power too long, so I gave a chance to other people; of course, I expected them to at least carry on with some of the projects I put in line, but they decided to change policies.

Critics say Najib is doing what he has learnt from you.

There's nothing similar at all between Najib and myself.

Voters are asking what the opposition can offer if they become the government.

Good governance. That is the most important thing. **E**

The Edge: What's the sentiment out there? Do you see support for the opposition increasing?

Liew Chin Tong: You could say non-Malay support for the opposition has stagnated or softened. In 2008, non-Malay support for the opposition was probably about 65% to 70% across the board. In places like Penang, it was a bit higher. In 2013, the support of non-Malays for the opposition, especially in Chinese constituencies, went up to 85%, in places like Penang 90%. But we are not at that level now. We are probably at 65%.

Any particular reason?

Fatigue. Also, those who swung to us in the last election were MCA (Malaysian Chinese Association) members, the older Chinese and rural Chinese. For example, Barisan Nasional didn't expect to lose in small towns in Johor because they are agricultural towns with older populations. But the young people from the cities went back and told their parents to vote for the opposition. And naturally, the moment you don't become the government, they went back. We are now at around

65% among the non-Malays and many say they will not fly back to vote. One particular area is Singapore — one million Malaysians work in Singapore. And those voters who reside in Singapore are very important to Johor.

How will Barisan Nasional fare?

BN has no feel-good factor now. You cannot go into an election purely playing on the fear of the DAP. The battleground is in the semi-urban areas. The urban areas, we are more or less there. Urban areas have very high non-Malay support for the opposition, and even among Malays in the last election it was a 50:50 split. That was evident in Kuala Lumpur because out of the 11 parliamentary constituencies, BN only won two. That means in many other areas, Malays also voted for the opposition.

In Selangor, the opposition was able to win because it had 50% of the Malay vote and a very high proportion of Chinese and Indian supporters. That is the formula that has to be replicated everywhere else. The main battlegrounds are southern Kedah, north-

CONTINUES ON PAGE S12

RUN-UP TO GE14

Nurul Izzah Anwar, Parti Keadilan Rakyat vice-president and MP for Lembah Pantai

SUHAIMI YUSUF/THE EDGE



We are focused and committed to reform

The Edge: Can the opposition win the coming [general] election?

Nurul Izzah Anwar: I'm confident [we will win] if we manage to get our message down to the grassroots.

How different is it this time around from the past?

I have never seen a time when Umno's [popularity] is at an all-time low. So, it really is prime for the picking. The breakup of Umno is not being highlighted enough. Bersatu has gained a lot of momentum in Kedah [due] of course to [Tun Dr] Mahathir [Mohamad]. Regardless of how people view him in the past, but for a 92-year-old man making the rounds, people do come out to listen to him. The impact of [Datuk Seri] Anwar [Ibrahim] and Mahathir coming together — it goes beyond politics, it goes beyond winning the elections. It is us as a nation coming together to build a future — focused and committed to reform.

The opposition is in disarray, isn't it?

If you take PAS out of the equation, we are stronger together, we are working very closely. And discussions are taking place at different

tracks — whether it's the manifesto negotiations, policy pronouncements, [or] quick, clear-cut pledges — to showcase what we mean by a coalition committed to reform versus a coalition committed to kleptocracy. But if [PAS] decides to combine forces with [BN], it's their choice. Amanah took a conscious decision to set up a new party because it knows that the electorate wants it to be in a coalition with us. And we (PKR) had to put aside our personal suffering and differences with Mahathir when he set up Bersatu and we agreed to embrace them.

On PAS, I would say there will be different dynamics playing out in different states, for sure. Officially it decided to break away from us and destroy the existing working relationship [but] there are some state assemblymen from PAS who are very friendly to us.

But many of these leaders [in Bersatu] were not too long ago part and parcel of this same government you call corrupt...

I completely agree with you. Mahathir ruled with an iron fist and we have to state this. And there were consequences of these actions — peo-

ple suffered. And it's not just about Anwar; it's about the entire system, the entire generation. Then you see him changing position and adopting the reform agenda. I'm not going to be the one to exclude anybody from supporting the reform agenda.

You have seen what politics is all about...you opposed Mahathir and then in a moment he becomes a friend and a comrade on the battle field.

It has been a long time, and I think it was not easy... it's not a personal issue per se, but it is also about how you approach it. When I decided to be part of Keadilan, [it was] because I supported the reform and multiracial agenda. I wanted us to succeed beyond Anwar's release. You can't be leading with a chip on your shoulder. I never hated the man, I hated the actions... separate the two.

Where do Sabah and Sarawak fare in the equation?

I'm more optimistic about Sabah. I think we have to understand the whole issue of autonomy — the fact that they want to be leading the charge for their own destiny, for their own future. In [Datuk Seri] Shafie Ap-

dal (former Umno vice-president), we have a hard worker and he's been instrumental in bringing momentum.

On the ground, do the grouses of the voters tally with Pakatan Harapan's manifesto? What are the people unhappy about, actually? Is it corruption? Is it the high cost of living?

We are actually tracking these issues every week. In Selangor, we have done quite an in-depth study on what voters want on a weekly basis. For example, they want efficient garbage collection and Selangor has addressed this. One of the reasons [Datuk] Azmin [Ali] managed to get a 67% popular support is that from the beginning, he had tracked what were the top five issues the voters are unhappy about.

What is your sense of the Malay heartland?

The Malay heartland, especially the Felda seats, we need just a few percentage points' swing — 5% to 7%. With the problems faced by Felda, it's ripe for the picking too, but we have to be strategic. Maybe it is better for these seats to be taken up by Bersatu.

What urgent measures are

Dr Dzulkefly Ahmad, Parti Amanah Negara strategy director

Pakatan Harapan is just about ready

The Edge: Where does Amanah stand in the new Pakatan Harapan?

Dr Dzulkefly Ahmad: The position of Amanah is premised on progressive and inclusive Islam and replaces the position that has been traditionally held by PAS. This is in a way a blessing in disguise because all along there have always been concerns [about an Islamic party like PAS among the non-Muslim voters]. The nascent support base that was emerging as the core support for PAS, in the 2008 and 2013 general elections [notably the Chinese, Indians and urban Malays], would have left them (PAS). They are now our core support. With that, we hope to be a critical player in the new coalition front Pakatan Harapan (PH).

So, how do you see your chances in GE14?

We (PH) have a very good chance of unseating a government that has overstayed. There is a plethora of issues facing the nation — high cost of living, unemployment, inequality in terms of prosperity and a kleptocratic government. People are insecure and the disruption of racial and religious harmony does not help. People are also concerned about what seems to be the beginning of a dysfunctional government. The political chemistry is right and we are headed for a perfect storm that can unseat the incumbent.

If you look at the Sungai Besar and Kuala Kangsar by-elections, you didn't fare too well...

I must say that those [by-elections] were wake-up calls for us. However, the dynamics have changed. [Parti Pribumi] Bersatu [Malaysia] has emerged and it is now almost a year since the last by-election. We have laid down our coalition's common policy framework and we are working hard to put together our manifesto. I think we are just about ready.

How much of a game changer is Tun Dr Mahathir Mohamad and Parti Pribumi Bersatu Malaysia?

We have been talking about 1MDB, kleptocracy and abuse of power. When Mahathir, [Tan Sri] Muhyiddin [Yassin] and the rest came on board with us, Bersatu became the circuit breaker. Information that the rakyat used not to believe because we were the opposition has become believable now, with Mahathir and Bersatu in the team. 1MDB, for example, is no longer the message of the opposition; it has become the message of the rakyat. They didn't really get to understand the message, but coming from someone who has helmed the country for 22 years, the message — including the cost of living and other economic malaise — becomes very powerful, simple and understandable by all.

What are the critical issues you need to address now?

The rakyat are burdened by the high cost of living. They are worried about jobs and the cost of living in relation to their wages and inflationary pressures. The ringgit has dwindled in value, at least 22% in the last two years and even more than that since [Datuk Seri] Najib [Razak] took over in 2009. Many food items, including essential goods, are imported. For industries based on import substitution, they are also affected. Job creation for locals is not easy to overcome but it must be addressed.

On the issues of race and religion, why has the rift deepened? Why is it aggravated? We must address them upfront and not sweep it under the carpet. It is regrettable that Umno and PAS are using the racial and religious cards.

CONTINUES NEXT PAGE

"I'm not going to be the one to exclude anybody from supporting the reform agenda."

"I never hated the man (Mahathir), I hated the actions... separate the two." — Nurul Izzah

needed for the economy?

One key thing is how much we have lost to corruption and leakages. But I would also like to focus more on the crisis affecting our education system. We are cancelling the overseas government scholarships [for qualified university students] who will form the next generation, the talent of this country. If you can arrest leakages, you can have [the funds] to continue with these scholarships.

Are you going to remove the GST, are you going to put back petrol subsidies?

We have a group working on this. I am all for 0% GST, but how do you dismantle a system that has been implemented? Taking off the GST regime needs to be done gradually. I have no issue with BR1M per se or targeted subsidies, but you can't be making them part of continuous government policy without an exit plan.

Some people are concerned that the opposition lack the experience to run a country.

Who is controlling Penang and Selangor? Malaysia [under Pakatan rule] will definitely be an extension of Selangor and Penang. **E**

"I must admit that the seat distribution could very well be the Achilles heel of Pakatan." — Dzulkefly



Dzulkefly: A chance for the rakyat to make an informed decision

FROM PAGE S11

There are many voters who dare not take the risk with the opposition.

Democracy is about citizenry and about voters making informed decisions. It's so important and critical that the PH must be able to articulate and advocate its policies loud and clear and, of course, be given the opportunity to do that. We will spell clearly our policies and manifesto and what we will do — even in the first few months — if we capture Putrajaya.

When people vote for us, they will have a choice. We have clear policies on the economy, healthcare, education, race and religious relations, political reform and upholding the position of critical institutions. We want this election to be a contestation of policies and leadership of competency, capability and accountability. The rakyat have a chance to make an informed decision. If we win and fail, by way of delivery, then they have every right to criticise and vote us out the next time around. That is democracy.

Will the division of seats be a problem?

For the incumbents (DAP and PKR), they will keep the seats they have won. For Amanah and Bersatu, we are looking at seats once held by PAS and Umno and those seats that PKR and DAP fought but never got to win. For Umno strongholds, they are the seats suitable for Bersatu rather than Amanah. Amanah has to depend on mixed seats due to its core strength among middle Malaysians who no longer support PAS.

I must admit that the seat distribution could very well be the Achilles heel of Pakatan, but at the end of the day, distribution of seats must be aimed at maximising victory. It's about making sure that whoever is [picked to contest] any seat... [he or she is] winnable, and it must be honestly and collectively decided by all.

Parti Pribumi Bersatu Malaysia is an Umno splinter party that forms part and parcel of everything you are complaining about.

In relation to Mahathir and Muhyiddin, while many may say that they have baggage, at least when it comes to the crunch, they are able to discern between what is very, very wrong and what needs change and replacement. They are able to come on stage and admit they were from the BN and have made errors in the past. We must be mature enough and not be caught in a time warp of animosity. ■

Liew: The opposition will have to articulate a vision

FROM PAGE S9

ern and southern Perak, mainland Penang, northern Selangor, northern and southern Johor and the Karak belt. All these will give you over 40 seats. And these 40-plus seats will decide the future of the country.

These are all marginal seats. Out of the 133 seats that BN won, 60 were won with less than 55% of the vote. Among the 60, 16 were won with below 50%, many of them were marginal and three-cornered fights, particularly in Sabah. So, those are very marginal seats.

So, you see your chances as being good?

Maybe... because we have never seen Malay voters so restless. Back to the 2008 scenario, there was no opposition coalition in 2008. There was no aggression among the opposition but there was Bersih — it was a platform for the opposition to come together under a larger umbrella. There was Hindraf. At that point of time, there was no dispute among the opposition. And of course, BN at that time was quite arrogant — it thought it would win [big]. Of course, now [some] think it may not win, so it is doing anything it can to stay in power.

How do you compare Reformasi and now?

[Tun Dr] Mahathir [Mohamad] will tell you that he won on Chinese votes in 1999. That year, 50% to 55% of the Malays voted for the opposition, that was the highest ever. After that, even in 2008, Malay votes did not exceed 50%, hovering at around 40%. But in Kuala Lumpur and Selangor, you have higher Malay support for the opposition. It's worse in Johor. PAS only gets about 30% and DAP gets about 15% Malay support.

So compared with 1999, what's the difference?

[The support] was very urban, apart from Kelantan and Terengganu. Of course, the Malay votes in Kelantan and Terengganu swung, creating the Terengganu PAS government and Kedah as well. The electoral gains were in Kedah, Terengganu and Kelantan. But the swing was in mostly urban areas. In 1999, places like Johor were not affected because it was an Umno stronghold and Umno did not split. [Now] is the first time the Johor Umno machinery has split down to the division level. It has never happened before.

Do you see Tan Sri Muhyiddin Yassin's crossing over as having a big impact?

It has an impact on Johor but, more importantly, Bersatu's impact now is not so much about how much it has gained but how much it has split Umno. That means the battle is no longer within Umno but between the Umno warlords and the younger generation. Umno can't do away with its warlords and it will not be able to field too many young professionals, but when you go into an open election, young professionals are vote gainers.

“We are now talking about a major realignment that has not been seen in Malaysian history.”
— Liew

Cost of living issues have been there for a while. BN, as the incumbent, has the nation's coffers in hand. If tomorrow more money is allocated to BR1M, how will that work?

It may work. Except that these difficult times have been dragging for too long. But still, if they deal with it properly, the entire dynamics will be different. The opposition is still banking on [Prime Minister Datuk Seri] Najib [Razak]'s unpopularity and cost of living issues. But the next step for the opposition is to offer policies. That is where we are lacking.

Isn't that basic? Why is it so difficult for the opposition to get its act together and offer policies?

I think the main issue is that over the past three years, we have had two major political earthquakes. We had the split of Umno, and the split of PAS, which [I believe] was part of Najib's strategy.

You say BN is at its weakest now, but you can't capitalise on it...

BN is weak, but we are not strong. That is the weakness of the opposition, partly because of our own leadership [who will be PM?] question. I acknowledge that we have to move fast.

At the end of the day, the incumbents are still the incumbents and they have the advantage.

During our interview with Mahathir, he said that to think that Malay votes can be bought would indicate that BN has a low opinion of the Malays. What's your view?

I agree with Mahathir. You talk to many people and they say Malay voters are rural. Malay voters are not rural, most are semi-urban and most of their children are in Kuala Lumpur or the Klang Valley. Their parents may be rural but they are not. Also, understand that for the first time, we have Malay opposition leaders who have a higher standing among the Malays compared with Najib — Mahathir and [Datuk Seri] Anwar [Ibrahim].

What about the economy?

My view is that in the past seven to eight years, Najib didn't have the right

set of economic advisers. I think perhaps among all his advisers, [Second Finance Minister Datuk Seri] Johari [Abdul Ghani] has the best understanding of the economy.

What then? What urgent measures will you take to revive the economy?

The opposition will have to articulate a vision — one that basically says that over the past 20 years since the Asian financial crisis, we have stagnated. We have wasted a generation and we shouldn't waste the next. And it should be about doing all these difficult things together, including reducing unskilled foreign labour, moving small and medium enterprises to a higher level, creating Malaysian champions, creating more jobs for Malaysians. All these will have to be articulated in a way that ordinary Malaysians can understand.

On the ground, some people are saying that if it was not for Mahathir and the system he put in place, Najib wouldn't have been so powerful. And now Mahathir is on the opposition side.

Nobody's a saint. Everyone makes mistakes but eventually they are prepared to fight the system. And that is where I see the public giving support to Mahathir — not because he's a saint, but because at his age, he's prepared to do this. People are prepared to accept his fighting the system and undoing his wrongs to redeem himself.

How about Sabah and Sarawak as safe-deposit seats?

I think a lot of interesting things are happening in Sabah, led by [Datuk Seri] Shafie Apdal [former Umno vice-president] and this long-standing unhappiness among the Kadazans. Shafie is talking to everyone. He's making an impact. Sarawak is a BN stronghold but not an Umno state.

Without PAS in the opposition and in a three-cornered fight, there is no hope for the opposition to win.

Do we think that voters are loyal to money or are they loyal to the party? The next election will be very difficult [for us to win]. It can only happen when Malay voters who usually vote for Umno vote for other parties. It has to be a groundswell.

We are now talking about a major realignment that has not been seen in Malaysian history. We have to deal with two major trust issues: whether eventually Anwar and Mahathir and their people can fully trust each other and build a genuine collaboration. Anwar appeals to a certain segment of the population — the urban Malays, the non-Malays, Malays who are between 30 and 50 years old — those who may not trust Mahathir so much. Mahathir appeals to the older generation, the establishment, civil servants, and the very young below 30. The [mood] on the ground is very anti-establishment. Whether we can create a miracle, I'm not sure. ■