

Q U A R T E R L Y

THE GOVERNMENT ISSUE

Focus Paper | 20 Jan 2013

Bloated government needs cabinet and parliamentary rebalancing

By: Ong Kar Jin and Teh Chi-Chang, CFA



PM Najib has too many ministers and deputies

The Malaysian Cabinet is bloated. Prime Minister Dato' Sri Najib's Cabinet comprises 30 ministers and 38 deputies. Elsewhere, the entire continent of Australia and the 62 million population of the UK are administered by Cabinets of just 22-23 ministers each. Malaysia has nearly as many ministers as the 33 in India who attend to a nation more than 30 times as populous as ours in a land 10 times larger.

Our tubby Cabinet is sclerotic. It is evident that the 68 ministers and their deputies are unable to communicate effectively. For example, the Health Ministry grapples with the issue of too many

housemen while the Higher Education Ministry blithely licenses new private medical colleges.

Also, the allocation of ministerial responsibilities is bizarre. Is it any wonder that construction standards are shoddy when the financial whizz-kids at the Ministry of Finance are put in charge of licensing contractors?

PEMANDU just adds more fat. This unit was set up to 'transform' government and Malaysia. However, it merely creates more duplication, and has also proven to be untrustworthy and unreliable. It has lied to the Malaysian public, and massive calculation errors by its expensive staff

and consultants cast serious doubts over its ability as a Performance Management & Delivery Unit.

Time to rebalance. The administration has grown corpulent while Parliament has been left with scraps. The lack of parliamentary resources and poor oversight over the ministries has allowed a culture of complacency, and perhaps even arrogance, to develop in the government. The number of ministers and ministries should be streamlined and their resources allocated to more effective uses by Parliament.

Why and how do we trim our Cabinet?

.....► Pg 4, 5, 6

EDITOR'S NOTE

May 5, possibly the most anticipated date among Malaysians in recent years, turned out to be an anti-climax for many. The deafening calls of *ubah* to the federal government could not lever BN from their perch in Putrajaya.

Most Malaysians were disheartened by the results of the 13th General Elections, but many forged on in their journey for change. Ordinary Malaysians took on the herculean tasks of analyzing and breaking down the poll figures. The creative designed infographics to explain how BN won government with a minority of popular votes: thanks to gerrymandering and malapportionment – concepts which many had trouble spelling previously, let alone understanding. The Black 505 rally to protest the poll results saw a flood of 120,000 supporters in and around the Kelana Jaya stadium despite stormy weather.

This, to REFSA, is evidence that 5 May 2013 did change Malaysia. Perhaps not to the extent that a majority of us (51 percent, to be precise) would have preferred, but it did wake us up to the blatant biasness of the electoral system, under which the BN coalition needed only 17 percent of popular votes to win (*refer to Pg 12*). It stirred Malaysians to take charge of the information we have and break it down for the masses, mobilise mass protests against alleged polling fraud, and reach out to the rural folks to find out what drives them to still vote for BN. In short, Malaysians are doing for themselves the things that previously only a small minority in non-governmental organisations (NGOs) did.

REFSA welcomes this. Our aim has been to inspire constructive discourse, not to occupy it. We like to think that our work had been one of the many forces of change that led Malaysians to become aware of bulky issues such as economics and policies – they are meant to be broken down, not ignored.

On that note, this shall be the final issue of REFSA Quarterly from this editorial team. Each of us is dialing back from our commitment here, but we are certainly continuing to work for Malaysia via other pursuits (*see REFSA Replies on Pg 3*). We have enjoyed traveling on this journey of change with all of you. Let us all help keep our 'rojak' nation on the path of progress, and keep the new governments, federal and state, accountable.

Selamat Jalan!

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“If you think you are too small to make a difference, try sleeping in a closed room with a mosquito.”

– African Proverb

Cutting the fat in Cabinet

Infographics explain how and why we should trim the tubby Cabinet of 68 ministers and deputies.

Pg 4 to 6

ETP failed, again

The Economic Transformation Programme (ETP) Report 2012 is out - this time with bigger blunders and regression!

Pg 8 to 11

Minority rules?

BN lost the popular vote in the 13th General Elections, but won power to rule. How did that happen? Our infographics illuminate.

Pg 12 & 13

In transformation we trust

REFSA took a stand in the run-up to the 13th General Elections. We explain our choice.

Pg 15

THE GOVERNMENT ISSUE

REFSA explores how our new government came to power, and what steps it should take to keep us on the path of progress.

Digging into Oil and Gas

REFSA scoped out the oil and gas industry. Find out little-known facts and key issues surrounding this crucial sector.

Back cover (Pg 24)

Tale of the tape

To help Malaysians choose, we pitched the star players from the opposing teams, Barisan Nasional and Pakatan Rakyat against each other.

Pg 16 & 17

Differences decoded

Many felt that voting in the 13th General Elections is just choosing the lesser evil. We disagreed - read our infographics on the real differences between BN and PR.

Pg 18 to 21



REFSA REPLIES | The REFSA team's take on current issues

QUESTION: *Beyond REFSA, how are you paving the way for a better Malaysia?*



Chi-Chang, Chief-At-Large

With the grassroots: my neighbours, residents' association and city council. Longkang politics is as important as pontificating on government policies and engaging PEMANDU in a high-level deconstruction of the ETP. My neighborhood is crumbling: rats proliferate; the playgrounds, roads and drains need repair. I will demand better hygiene in our neighbourhoods and hawker stalls for a start. But we can't just demand – we ourselves must participate too! Can we behave like everyday is Bersih day? We all acted neighbourly and left no litter that momentous day. Federal government might be out of reach, for now, but local improvements are well within our influence.



Wai Kuan, Chief of Everything Else (CoE)

I will stretch the capacity of our consciousness by teaching more yoga and learning taichi. Along the way, I also hope to get to know some of the 47% of my fellow Malaysians who voted for the coalition that opposes mine. On a more mundane level, I will sweep my front and back yards, clean the longkang and do so for my neighbours too. Don't rely entirely on your government and especially not on poorly-paid, unskilled foreign workers to do everything for you. Adopt a road or park, clean and maintain them quietly. Then start a community campaign and invite your neighbours to join you; share the fun with your ADUN or MP.



Sandra, Contributing Editor

It has always been my contention that education is the key to driving change, and it is one area I often revisit even while being involved elsewhere. Developing young minds may seem a tiny contribution in the big scheme of things, but the little ripples we each create in our own small way will add up to one big tidal wave, I believe. Lecturing, giving courses and judging English-related competitions in schools fill my days currently. Also, through Parents Action Group for Education (PAGE) Ipoh I submitted a couple of memoranda on education to the MoE task force, with suggestions on how we can go forward in this contentious but so important area.



Kar Jin, Intern Extraordinaire

I'm currently the secretary for the NGO coalition Suara Rakyat 505. With the analysis and fact-finding experience from REFSA, I hope to develop a more informed, socially conscious and strategic way of civil disobedience. More than that, I hope a third force beyond politicians from both sides will emerge: grassroots activism that is truly for the people and by the people. Soon, I'll be off to Yale University, where I hope to learn how to contribute meaningfully to Malaysia, or even better, the world!

Editor's note: We hope Kar Jin lasts longer than Dr Devaraj Jayakumar, MP for Sungai Siput. At Yale in the 70s, the good doctor dropped out after two years to serve Malaysians in Sarawak.

WHY OUR BLOATED GOVERNMENT needs CPR

Cabinet & Parliamentary Rebalancing Part 1

Malaysia is run by a whopping **30 ministers** and their **38 deputies**. Compare this to:

AUSTRALIA
21 MINISTERS

A continent **23** times the size of Malaysia

UK
22 MINISTERS

Population: **Twice** the size of Malaysia's

INDIA
33 MINISTERS

A land **10** times bigger, with **30** times more people than Malaysia!

A case of too many cooks spoiling the broth

Our ministers seem to have a 'lighter' burden compared to their foreign counterparts. Why are there so many instances of wastage and incompetence?



Effective administration of our country is hampered by:

Overlaps between ministries

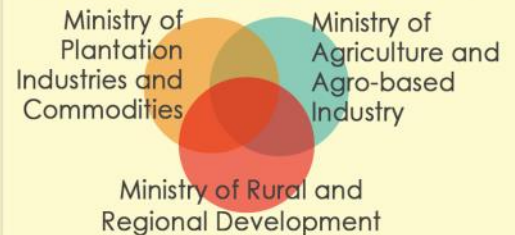
Where does one ministry begin and the other one end? For example, why is plantations separate from agriculture?



3 separate science and resource-related Ministries

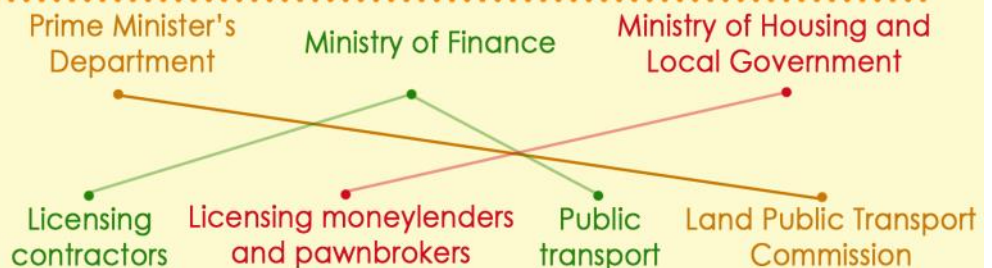


3 separate ministries on agriculture and rural issues



Bizarre allocation of roles

Ministries are responsible for areas for which they have no natural expertise.



PEMANDU just adds to the fat

PEMANDU just creates duplication. Eg. its Education unit had little or no input into the important Malaysia Education Blueprint 2013-2025! Even worse, it propagates brazen lies and manipulates perception, as revealed in REFSA's ETP series and the recent crime index fiasco.

Time to rebalance ... trim the Cabinet, beef up Parliament

In our system of Westminster-style democracy, **Parliament should act as a check-and-balance to the govt.**



Parliament
298 Staffers
RM82 million Budget



PM's Department
29,444 Staffers
RM15 billion Budget

The lack of parliamentary resources and poor oversight over the ministries has allowed a culture of complacency, and perhaps even arrogance, to develop in the govt administration.

Up next: Slimming down the cabinet

Based on the Cabinet and Parliamentary Rebalancing (CPR) Focus Paper series at:

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Designed by: Foong Li Mei
Pen Wielder & Media Musketeer

HOW TO untangle the mess of 68 ministers and deputies

Cabinet & Parliamentary Rebalancing Part 2

The more the messier

Researchers have found:

Govt Size

Competency Level

It is critical for Cabinets to have less than 21 ministers for effective decision-making process.

- Parkinson of Parkinson's Law fame



Our government shamelessly defies the 'law' with a whopping 68 ministers and deputies!

No wonder Cabinet members often clash heads. A recent example is the AES (Automated Enforcement System) fiasco. The **Transport Ministry** installed cameras to catch speedsters on the road. Quite incredibly, though, it had obviously not consulted the **Home Ministry**, because the traffic cops said they would continue to run their own speed-trap operations, including at locations near the AES cameras. An even bigger farce broke out when the **Attorney-General** ended up freezing AES summons trials due to questions on its legality.

When government ministers and agencies collide, **more taxpayers' funds** would have to be wasted to sort out the disarray.

How can our gov't not turn into a circus of chaos when the Prime Minister alone juggles **more than 28 Cabinet committees**?

Our bloated Cabinet can be trimmed to a svelte 16 ministries and 18 ministers.

Current situation Interim measure to pave way for smooth streamlining Final streamlined Cabinet

NATIONAL & INTERNATIONAL AFFAIRS

MINISTRIES TO BE MAINTAINED Prime Minister
Ministry of Foreign Affairs
Ministry of Information, Communication and Culture

6 Ministers under the Prime Minister's Department Prime Minister's Department
1 Minister

The best people in the government should be heading full Ministries. The Prime Minister is supposed to lead and act through his Cabinet. One Minister in the Prime Minister's Department should be sufficient.

ECONOMICS & FINANCE

MINISTRY TO BE MAINTAINED Ministry of Tourism

2 Ministers under the Ministry of Finance Ministry of Finance
1 Minister
(who must not hold any other portfolio)

An effective Finance Minister must balance the needs and wants of the Ministries against the funds that the gov't can actually afford to spend. To ensure fairness, the Minister must not hold any other portfolio.

Ministry of International Trade and Industry Interim: 1 Minister holding 2 portfolios
Ministry of Domestic Trade, Cooperatives and Consumerism
Ministry of Trade and Competitiveness
1 Minister

It is no longer sensible to separate domestic from international trade activities. Our domestic industries must be internationally competitive if Malaysia is to achieve sustainable high-income nation status. This merged Ministry will be in a better position to help our domestic players be regionally and globally competitive.

SECURITY

MINISTRIES TO BE MAINTAINED Ministry of Defence
Ministry of Home Affairs

EDUCATION, TALENT & EMPLOYMENT

Ministry of Education Ministry of School Education, Early Childhood and Preschool
1 Minister

High quality childcare is a prerequisite for high-income status and quality of life. Working parents need access to affordable, reliable childcare; and it is now accepted that early influences are hugely important. As such, Ministerial resources should be allocated to this area.

Ministry of Higher Education Interim: 1 Minister holding 2 portfolios
Ministry of Human Resources Ministry of Tertiary Education, Skills and Talent
1 Minister

We must recognise the reality that the majority of any workforce will not be graduates. So, higher education must also embrace skills and vocational training to match our human resources with jobs available.

AGRICULTURE & REGIONAL DEVELOPMENT

Ministry of Plantation Industries and Commodities Interim: 1 Minister holding 3 portfolios
Ministry of Agriculture and Agro-based Industry
Ministry of Rural and Regional Development
Ministry of Agro Industries and Rural Development
1 Minister

Rural and agricultural-related Ministries should be consolidated to facilitate holistic agricultural and rural development. The current separation of plantations merely creates unnecessary duplication and silos.

INFRASTRUCTURE, RESOURCE MANAGEMENT & ENVIRONMENT

MINISTRY TO BE MAINTAINED Ministry of Works

Ministry of Natural Resources and Environment Interim: 1 Minister holding 3 portfolios
Ministry of Science, Technology and Innovation
Ministry of Energy, Green Technology and Water
Ministry of Energy, Natural Resources & Environment
1 Minister

Innovation, science & technology should be part of the normal course of business, whatever field we are in, and do not require a separate Ministry. For example, agricultural productivity can be greatly enhanced by science and technology, which is a process best undertaken by the people actually on-the-ground doing the job, i.e. the Agro Industries Ministry.

COMMUNITY WELLBEING

MINISTRY TO BE MAINTAINED Ministry of Health

Ministry of Transport Interim: 1 Minister holding both portfolios
Ministry of Housing and Local Government
Ministry of Transport, Housing & Local Government
1 Minister

Public transport and housing policies must be coordinated. The design of public transport systems cannot be separated from how our people are housed. In addition, it is also important that the local authorities who handle the day-to-day on-the-ground issues be involved.

MINISTRY TO BE CUT Ministry of Federal Territories and Urban Well-being

The federal territories such as Kuala Lumpur and Putrajaya already have their own City and Town councils and Members of Parliament. If any federal oversight is necessary, it should be conducted via the Ministry of Housing and Local Government.

Ministry of Women, Family and Community Ministry of Women
1 Minister

Ministry of Youth and Sports Ministry of Sports, Family and Community Development
1 Minister

Sports should be for all, not just youth; and sports can bring families and communities together. Let's give it a broader platform.

In Total...

30 Ministers
Including 6 Ministers in PM's Department and 2 Ministers of Finance.
38 Deputy Ministers
Including 4 in PM's Department.
25 Ministries
Including the massive PM's Department.
Interim: 18 Ministers, 25 Ministries
18 Ministers
16 Ministries
(excludes the PM's Department which is streamlined to fit its name.)

Based on: Cabinet and Parliamentary Rebalancing (CPR) Focus Paper series published Jan/Feb 2013 by
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Pen Wielder & Media Musketeer

Cartoon by BL

Good governance - about 20 ministers



WEIGHTIER PARLIAMENT SLIMMER CABINET

for effective government

Cabinet & Parliamentary Rebalancing
Part 3

Under our Westminster-style parliamentary democracy



Parliament is the **watchman** to keep Cabinet ministers in check.

This is to keep the government honest and competent.

In reality, our Malaysian Parliament is deprived

4 out of 10

BN members of Parliament (MPs) are also ministers.

This means

40%

of BN MPs cannot objectively evaluate their own decisions.

The remaining MPs are **juniors** to the experienced ministers whom they are watching over!

They will **think thrice** before tackling their more prominent colleagues.

The burden of **check and balance** on the BN federal govt falls on the **opposition** and **civil society**.



This makes it easy for ministers to **brush off criticisms** as "opposition-led".



Parliament doesn't have enough resources to keep tabs on 68 ministers and deputies!

It has only

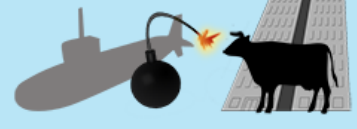
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Research officers

1





Committee - the Public Accounts Committee - to scrutinise Putrajaya's activities.

Is it any surprise that ministers escape unscathed from scandals after scandals?



Beef up Parliament with bi-partisan committees

Properly run, well-resourced parliamentary committees contribute to better policy-making, laws and accountability:

-  Extensive powers to summon ministers and other officials to explain and account for their actions.
-  Committee members can specialise and build up expertise.
-  Provide a forum for citizens and interest groups to present their views.
-  In the UK, the Cabinet accepts and implements 40% of their suggestions.

Sparkling examples of Westminster-style democracy that we can emulate:



British Prime Minister David Cameron was slammed by MPs of *all* parties for the "plebgate" controversy.



Australian Labor MPs deposed their own Prime Minister Kevin Rudd when he insisted on policies that were out of touch with public opinion.

Better for a talented MP to be a powerful committee chairman than an impotent minister in a bloated Cabinet!

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Adapted from *UMNO-nomics*

Federal government: power hog?

The greedy hog at the table is the one who ends up hogging everything in sight.

Aside from very small grants based on population and roads, payments to the state governments are at the discretion of the federal government. On the other hand, the federal government is entitled to all the corporate and income taxes generated by the state governments.

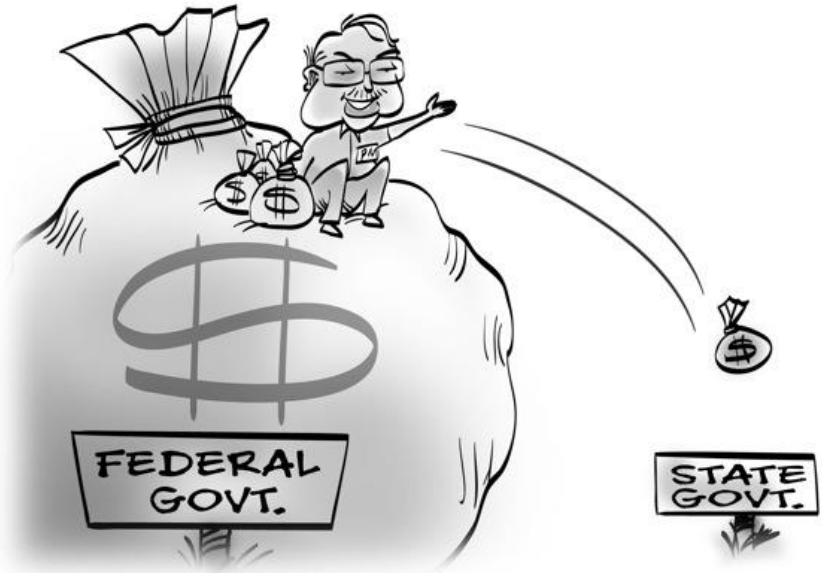
Spot the problems yet? The clearest issue with these policies is in how performance is not related to rewards for the states. For example, Selangor generates RM16 billion in tax revenue for the federal government, yet is only allocated RM400 million in grants – *less than 3% of what it generates*. This also restricts the state governments' actions – by controlling the allocation of grants, the federal government controls the measures the

state governments might want to implement to improve the welfare of their various states.

There are power hogs even within the federal government itself, with power increasingly centralized within the Prime Minister's department and the Ministry of Finance (MoF). The Land Public Transport (SPAD), for example, should be the responsibility of the Ministry of Transport, but is within the purview

of the prime minister. And surely the Ministry of Works should handle the licensing of contractors, not the MoF!

The BN federal government is practicing unabashed avarice in concentrating financial and political power at the federal level, stripping the thirteen state governments of their state rights and prerogatives in the process.



Cartoon by Johnny Ong / Taken from *UMNO-nomics*

Adapted from *UMNO-nomics*

A tender situation

The federal government's policies favouring negotiated contracts and gatekeepers such as PEMANDU have fostered an anti-competitive economy, where the likelihood of procuring a contract depends on who you know, rather

than how good your products or services actually are.

If there isn't any incentive to improve, human nature is such that there will be hardly any effort put into upgrading service-levels or productivity. And the record shows that a mere 0.2% of class-F Malaysian contractors have upgraded to a higher class. Why bother upgrading if you're assured contracts by

your Class-F status?

These opaque procurement policies hinder innovation, creativity and productivity, while putting genuine Malaysian entrepreneurs at an disadvantage.

Worse still, despite 43 years of formal 'bumiputera-first' policies, bumiputeras still comprise more than 3/4 of the bottom 40% of households living on RM50 a day. So much for 'protecting the bumiputera'!

Pakatan Rakyat's open tender policy in Penang is a huge step in the right direction. Awarding contracts to the most capable contractors not only facilitates improvement amongst the contractors, but also rewards industrious contractors based on their own strength.

We need to look past baseless accusations such as 'affronts to bumiputera rights' and 'threats to the Chinese interests' and realize the massive potential behind the open tender policy if implemented wisely nation-wide.



REFSA Says | 20 Mar 2013

Big fat 'F' for Fail

The ETP has failed to meet its targets

By: Teh Chi-Chang & Dr Ong Kian Ming

We are dismayed to find perception manipulation and deception still surrounds the Economic Transformation Programme (ETP). The mainstream media today is full of praise and claims of excellent performance and transformation. This is exactly the opposite of the true picture. Today, REFSA draws attention to 3 points:

1 Failed: Reaching the target to grow national income by 6% per year

"Propelling Malaysia towards becoming a high-income developed nation" as promised by the ETP requires Gross National Income (GNI) to grow by 6% per year. PEMANDU highlighted this 6% per year growth target in its "A Roadmap for Malaysia" report that launched the ETP with much fanfare in 2010.

However, the 2012 Annual Report of the ETP makes not a single reference to the fact that the ETP failed to meet this crucial 6% per year growth target last year. The fact is, real GNI grew by a pedestrian 4.3% in 2012, well below PEMANDU's aspirations and even lower than the 4.9% recorded in 2011.

2 More perception manipulation and deception from PEMANDU

Rather than address the core issues impeding growth, PEMANDU continues to practise perception manipulation and deception in its efforts to hoodwink Malaysians into believing it has reached or exceeded its targets.

Firstly, its 2012 ETP Annual Report quoted real GDP (Gross Domestic Product) growth rates, which at 5.1% and 5.6% in 2011 and 2012, were higher than GNI growth and presented a slightly better picture of the sad situation.

Secondly, when discussing GNI, PEMANDU used nominal numbers (which include inflation) and US\$ instead of Ringgit. The 2012 ETP Annual Report states *"The country's GNI per capita has risen from US\$6,700 in 2009 to US\$9,970* in 2012. This represents a 48.8 per cent surge in just a two-year period. Based on current projections and barring unforeseen circumstances, this gives Malaysia the potential to achieve a GNI per capita of US\$15,000 earlier than the 2020 target."*

As pointed out in our Focus Papers critiquing the ETP, quoting nominal numbers including inflation can be mis-



NOT AGAIN?

PEMANDU's perception manipulation & deception

The 2012 Annual Report of the ETP makes not a single reference to the fact that the ETP failed to meet this crucial 6% per year growth target last year.

leading. Inflation does not make us any richer. If our incomes go up by 15%, and so do the cost of the things we buy, we are not any richer, because the extra income is spent on paying more expensive prices for the goods and services that we use.

We also pointed out that a weakening US\$ will not directly help most Malaysians. Say your household income is RM3,000 per month (in line with about 70% of Malaysian households). At RM3:US\$1, that is equivalent to US\$1,000. Say the US\$ weakens to RM2.50:US\$. You still earn RM3,000 per month, but that's now worth US\$1,200, which PEMANDU can then claim is an impressive 20% increase. But you live here and spend here. Your teh tarik still costs RM1.50, your coffee shop lunch RM5 The US\$ increase is certainly helpful if you are visiting the United States, but on a RM3,000 household income, that is an unlikely possibility.

Rich Malaysians who travel overseas extensively would certainly benefit from a weaker US\$, but not the vast majority of Malaysians.

3 PEMANDU still cannot even get its basic Math right

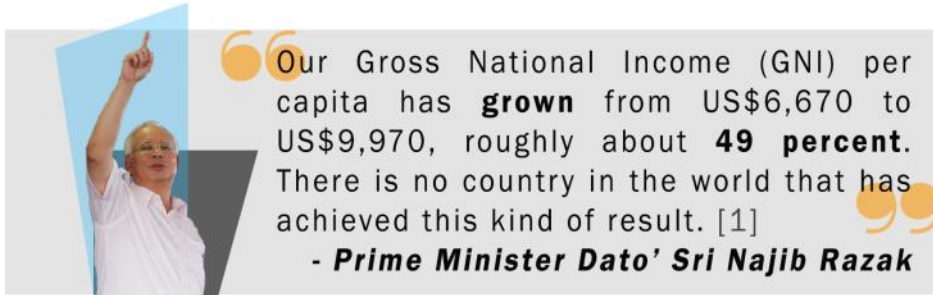
Let's go back to the part saying GNI per capita had 'risen from US\$6700 in 2009 to US\$9970 in 2012' and that 'this represents a 48.8 percent surge in just a two year period'. Not only is 2009 to 2012 a 3 year period rather than a 2 year period, the calculations for GNI per cap in 2012 are also misleading. Exhibit B footnotes GNI per capita in 2012 at RM30,809 and an exchange rate of RM3.058 to US\$1. This translates into a GNI per capita of US\$10,075 rather than US\$9,970.

So what are the correct numbers? Until the high-powered and highly-paid staff and consultants at PEMANDU can get their basic math right, let's start from first principles and use data from the Department of Statistics. The latest set of GNI figures from the Department of Statistics (which PEMANDU surely has access to as well), shows GNI per capita at RM24,879 for 2009 and RM30,809 for 2012. This works out to a mere 23.8% GNI per capita growth from 2009 to 2012, less than half the 48.8% figure cited in the Annual Report!

On average, this works out to a 7.4% per year growth in nominal GNI per capita for the three years from 2009 to 2012 which is less than the 8.2% per year average growth rate registered from 2001 to 2010. GNI per capita has been below the long-term trajectory after PEMANDU and the ETP came into force in 2010. In other words, the ETP and PEMANDU have had no impact in increasing our GNI per capita above its long term growth trajectory!

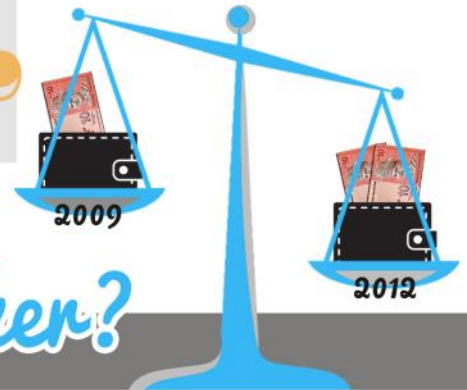
Massive plunges in investments and job creation

► Pg 10



Wow, according to the PM, Malaysians' income has increased nearly 50% since 2009! The question is -

Do you feel 50% richer?



WE DON'T. WHY NOT?

Najib got his numbers wrong

According to Bank Negara Malaysia's Statistics Department [2]:



41% growth is still fantastic

Why is the rakyat not feeling it?

PERCEPTION MANIPULATION

Najib quoted nominal GNI which includes INFLATION

Inflation bloats the price tags, not our wallets.



US\$ was used, instead of RM

US dollar is irrelevant to us paying Malaysian prices.

Example

Say, our income is **RM3,000**, or **US\$1,000** at the current exchange rate of about RM3:US\$1.

If the **US\$ weakens**, RM3,000 will be worth, say, US\$1,200. Your **US\$ income has soared by 20%**, but are you richer?

No, because you are still paying **RM1.90** for petrol, and **RM1** for a piece of roti canai!

The truth is

Real GNI, in RM terms, not including inflation grew by **less than 5% per year in the last two years!** [3]

No wonder we don't feel any richer!

Based on REFSA Says published on 20 & 21 March 2013.

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*Sources available on our website

Big fat 'F' for fail (Part 2)

The ETP has failed ordinary Malaysians

By: Teh Chi-Chang & Dr Ong Kian Ming

ETP Failed: Committed investments collapsed in 2012

The ETP experienced a spectacular reversal in its second full year of existence in 2012. The value of committed investments in 2012, their Gross National Income (GNI) impact and the number of jobs created collapsed compared to the previous year.

1) Committed investments slumped 82% from RM179.2b in 2011 to RM32.1b in 2012;

2) These investments were also less income accretive. The Gross National Income (GNI) impact of the committed 2012 investments plunged 95% from RM129.5b in 2011 to a mere RM6.6b in 2012;

3) Reflecting the low value-added nature of these investments, the number of jobs expected to be created fell too but by a smaller 70% (313,741 in 2011 to 94,702 in 2012).

In simple terms, each Ringgit of committed investments in 2012 is expected to generate less GNI and create jobs that pay lower than the investments committed in 2011. The GNI for each job created by the 2012 committed investments is 83% lower at RM69,692 GNI per job in 2012 compared to RM412,761 in 2011. In terms of capital intensity, the investments per job fell 41% from RM571,172 in 2011 to RM338,958 in 2012.

ETP failed: What happened to the shovel-ready projects?

Repeating the experience of 2011, the 2012 ETP Annual Report also avoided stating the amount of actual investments compared to committed investments. In our earlier critiques, we called out PEMANDU for failing to declare in its 2011 ETP Annual Report that actual investments in 2011 was only RM12.9b. This

is a mere 7% of the committed RM179b.

The 2012 ETP Annual Report is no different. It leaves us all in the dark as to how much of the committed investments from the 2011 as well as 2012 have been actually invested. Any reasonable Malaysian would expect to see a large amount of actual investments in 2012 from the RM179b committed by 2011 Entry Point Projects (EPPs). They have had a whole year or more to be rolled out, and would have had the help of PEMANDU cutting red tape and fast tracking processes.

The 2012 ETP Annual Report also fails to state the breakdown of investments between the public (government) and private sector. This information is important as a major target of the ETP is to have the private sector contribute 92% of the investment necessary to drive the ETP.

.....

Nearly 70% of our
population are on
welfare while
PEMANDU
trumpets projects
and investments
under the ETP.

.....

The miserable investment, GNI impact and job figures for 2012 coupled with the absence of disclosure on the amount of actual investments and the public-private breakdown suggests the following logical conclusions:

- 1) That many of the announced EPPs, especially those in 2011, have failed to take off;
- 2) That the private sector is not driving the EPPs as originally envisioned; and
- 3) That the private sector is losing confidence and interest in the ETP.

The 2012 ETP Annual Report attempts to skirt the issue by saying that many of the EPPs were front-loaded. However, even on that basis, the RM211.3b of total investments for 2011 and 2012 is nearly RM30b short of the RM240b for two years originally targeted by the ETP.

Further evidence of the failure of 2011 EPPs to take off is the fact that the 2012 ETP Annual Report could only highlight the completion of a RM4.9m new restaurant for the RM9.6b Karambunai Integrated Resort City. The absence of any news on the RM3 billion Tanjong Agas Oil & Gas and Logistics Industrial Park in Pahang also points to the possibility that this massive EPP has grounded to a halt. Incidentally, these are two projects which we highlighted as 'dodgy' EPPs as far back as February 2012.

ETP Failed: More Malaysians qualify for BR1M payments than before

Ironically, it is another so-called 'achievement' of PEMANDU which strips bare the total failure of the ETP in terms of sustainably raising the incomes of those at the bottom of the economic ladder. When launching the ETP, PEMANDU said, "A key focus will be on ensuring that substantial improvements are made for people with the lowest household incomes."

Sadly, PEMANDU's approach has been mega contracts for the big boys, while placating poor Malaysians with crumbs that momentarily lift their incomes.

The number of Malaysians eligible for welfare has been steadily increasing under PEMANDU's tenure. It was originally estimated that only 3.4m households comprising 53% of total households in Malaysia earned less than the RM3,000 per month threshold for entitlement to the RM500 Bantuan Rakyat 1 Malaysia (BR1M) handout. But ultimately, approximately 4.2 million applications were approved which resulted in RM2.1b being paid instead of the originally anticipated RM1.8b. Under the latest BR1M 2.0, which also includes individuals earning less than RM2000 per month, a total of 6.1m applications have been approved.

If GNI per capita has indeed soared 48.8% in two years as PEMANDU claims, why has the number of Malaysians eligible for welfare handouts increased rather than decreased? Over 20 million Malaysians, or nearly 70% of our population are on welfare while PEMANDU trumpets projects and investments under the ETP.

ETP Failed: To Transform Malaysia

The ETP Annual Reports and publicity focusing on investments, projects and US\$ income proves our view that the ETP is only there to help the 'big boys' who can lobby PEMANDU to fast track their projects rather than measures that help ordinary Malaysians sustainably improve their livelihoods.

If PEMANDU and the ETP were truly about transforming our nation for the better, there must be far more emphasis on improving education, skills and the social and business environment. They must also have the political will to combat grand corruption rather than just clear red tape and increase competition by dismantling monopolies which are controlled by political cronies.

Finally they must be honest and transparent about their achievements rather than resort to manipulating statistics in order to deceive the public. Only then can we take real steps towards a future where all Malaysians can have the dignity of decent jobs, housing and security.





ECONOMIC TRANSFORMATION PROGRAMME (ETP) INVESTMENTS 2012

DOWN WE GO

APPALLING NUMBERS

COMMITTED
INVESTMENTS
PLUNGED

82%

Year 2011
RM 179 b



Year 2012
RM 32 b



INCOME TO BE
GENERATED
BY 2012
COMMITTED
INVESTMENTS
FELL BY

95%

RM 126 b

Gross national
income (GNI)
created by
committed
investments



2011

RM 7 b

2012

JOBS TO BE
CREATED BY
2012
COMMITTED
INVESTMENTS
DIVED

70%

313,741 jobs



2011

94,702 jobs



2012

QUESTIONS AROUND

How much of the committed investments in 2012 has actually been invested? What about the committed investments from 2011?

Actual investments in 2011 were only RM13b - 7% of the committed RM179b.



Investors had a whole year to roll out the committed projects, as well as PEMANDU's help to cut red tape.

So what happened to the shovel-ready projects?

HIGH INCOME NATION?

BR1M 1.0: 4.2 million applications approved

BR1M 2.0: 6.1 million applications approved

Why has the number of welfare recipients risen?

70% of Malaysians now qualify for BR1M handouts!

If PEMANDU is sincere in transforming our nation

Emphasise on improving **education, skills, and the business environment.**

Political will to **combat corruption and dismantle monopolies.**

Be honest about their achievements, and not resort to manipulating statistics.

Based on REFSA Says published on 20 & 21 March 2013.

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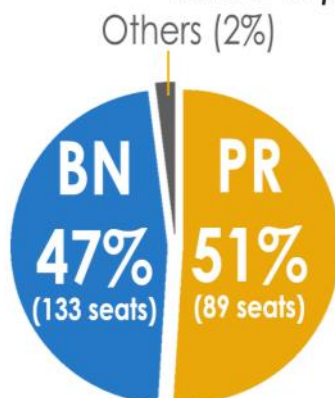
Designed by: Foong Li Mei
Pen Wielder & Media Musketeer

*Sources available on our website

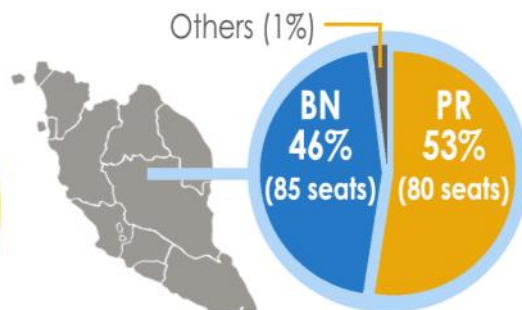
BN - You speak for the minority #1

**MAJORITY
OF
MALAYSIANS
DID NOT
VOTE BN**

Share of popular vote of GE-13



Whole of Malaysia



In Peninsular Malaysia

EVEN WITHOUT MAJORITY SUPPORT



theSun front page, 6th May 2013

HOW DID BN WIN SO MANY SEATS WITH SO FEW VOTES?

Unevenly-sized parliamentary constituencies gave BN unfair advantage (malapportionment).

More seats won = Wins general election
But each constituency has different amount of voters!

Average constituency size in BN-won areas	vs	Average constituency size in PR-won areas
46,510 voters		77,655 voters

PR-won Kapar has **over 9 times** the voters of BN-won Putrajaya (144,159 vs 15,791). If fairly divided, PR should have won 9 seats in Kapar! [1]

1 rural vote = 6 urban votes

This works heavily in BN's favour as it has more rural supporters. [2]

Just **17%** of the popular vote would have given BN a majority in Parliament in GE13. [3]

GE-13 was not conducted fairly.

Poll observers reported [4]:



Mainstream media distorted news and ran propaganda in BN's favour. [5]

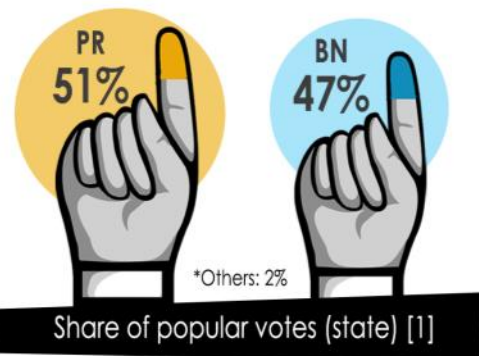
60,000 dubious voters reportedly helped BN win Sabah. [6]

The Economist reported that "UMNO was as negative, racially divisive and pro-Malay as ever." [7]

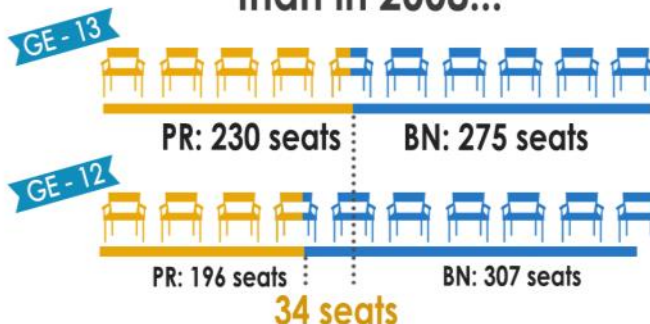
This is on top of the widespread reports of removable 'indelible' ink, phantom voters, suspicious spike of new voters in semi-urban and rural districts [8] and so on.

BN - You speak for the minority #2

Majority of Malaysians did not vote for BN



PR won more state seats than in 2008...



... but controls fewer state governments than before. How did this happen?

BN WON STATE GOVTS BY MINORITY VOTES & SLIM MARGINS



* Figures from 'Final GE13 Results', theSun, 7 May 2013

- PR-won states with a margin of 9 to 18%.
- BN-won states, but with minority votes.
- BN won-states, with a margin of 5% or less.
- BN-won state with a margin of 8%.

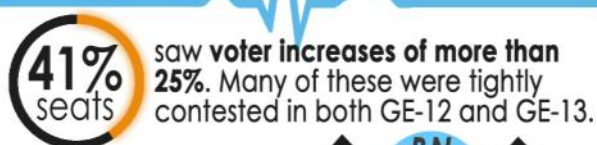
BN won only one state - Sarawak - by more than 5%. Still, its 58% majority here is **lower than the PR majorities** in Penang (68%), Selangor (65%) and Kelantan (59%).

BN only has a **minority of the vote** in Perak (43%) and Kedah (49%) and **barely a majority** in Negeri Sembilan (50%) and Terengganu (51%).

Without the electoral abuse and fraud, **PR could conceivably have won these 4 states**, taking its total to 7 and leaving BN with Malacca (52%), Pahang (53%), Johor (53%), Sabah (54%), Perlis (55%) and Sarawak (58%).

DOUBTS ON ELECTORAL INTEGRITY IN MARGINAL SEATS

Suspicious spikes in new voters inconsistent with demographic patterns. [2]



Remote areas saw bizarre spikes in new voters.



Helped by a 38% spike in new voters, Pekan (home seat of PM Najib) has more voters than Kuantan, the state capital!



Dubiousness of early and postal votes.

Postal and early voter lists not made available to candidates.

Number of early and postal voters rose abruptly, eg. the stated number for Lembah Pantai was 200, but 600 showed up.

Increase of postal voters in tight races, such as Sibu. [2]

Queries on recounts and spoilt votes.

3 seats - Alor Pongsu, Manjoi and Pangkor - were overturned at the last minute.

Spoilt votes exceeded the majority in some places - eg Lubok Merbau (majority 53, spoilt 178), Manjoi (132-705), Sabai (117-245). [4]

Why do you support (caretaker) Prime Minister Najib?

By: Teh Chi-Chang

I have been asking Barisan Nasional (BN) supporters this question in recent days.

Their consistent answer has been, "What is the alternative?" This goes all the way from lay supporters to the BN candidates themselves. While doing my weekly marketing in SS2 on Sunday, I bumped into the BN candidate on her campaign rounds and asked her this very same, simple question.

"Why do you support Najib?" I asked.

"What is the alternative?" replied Ms Chew Hoong Ling, BN-MCA candidate for P.106 PJ Utara.



Najib falsely declared that the economy grew by 49% from 2009 to 2011. The reality is that, in real Ringgit terms, the economy has grown by less than 5% in each of the last two years.

Firstly, notice how negative the answer is. When we choose to follow a leader, it should be because of positive traits that we admire. But the BN supporters that I have met appear too sheepish to attach positive qualities to their leader, (caretaker) prime minister Najib. For example, they have never said, "I support Najib as my leader because he is charismatic, energetic, fair, visionary, honest, capable, transformative"

Indeed, Najib is a leader who condones political violence and, perhaps worst of all, practises divisive, communal politics and deliberately manipulates economic figures to deceive Malaysians. Consider just 3 points:

1 Najib has never denounced vicious attacks on Pakatan Rakyat (PR) leaders and workers, which have left PR supporters bloodied and hospitalised. Neither did he chasten BN supporters who chanted death threats to PR leader Tian Chua.

2 Najib ordered that Tanda Putera, a film that his own Cabinet has said can "cause conflict", be screened to exclusive Malay audiences such as FELDA settlers and university students. His slate of 'winnable' candidates includes characters like Zulkifli Nordin, Zulkifli has been hailed as a "transformation candidate"[ii] despite just last month belittling Hindu beliefs and calling our Malaysian-Indian compatriots by a pejorative term.

3 "Live" on national television last month, Najib falsely declared that the economy grew by 49% from 2009 to 2011. The reality is that, in real Ringgit terms, the economy has grown by less than 5% in each of the last two years. The so-called transfor-

FEATURED!
Free Malaysia Today

mation led by PEMANDU is really a façade of Perception Manipulation and Deception, as REFSA has analysed and revealed.

Why do you support a leader who does not denounce political violence? Why do you support a leader who does not have the confidence to expel the extremist, thuggish members of his party? Why do you support a leader who rewards chauvinists like Zulkifli Nordin? Can you trust a leader who lies on something as basic as economic growth numbers?

"What is the alternative?"

It is true that Pakatan Rakyat leader Anwar Ibrahim is a political chameleon who has changed political allegiances often in his colourful career. But Anwar at least chooses one colour at a time, unlike Najib who preaches 1Malaysia on one hand and picks 'winnable candidates' like Zulkifli Nordin with the other.

Anwar is scrutinised by the mainstream media everyday, unlike Najib, who has not admitted that he misled Malaysians on economic growth numbers.

So, dear BN supporters, the alternative, Anwar Ibrahim, is a leader who has his flaws. But he is a leader who leads with words and ideas, not violence; and a leader who leads with hope, not money, fears and lies.

And most importantly, for all his flaws, real, perceived and manufactured, Anwar has never waved the keris around at political events during politically charged times, unlike UMNO leaders such as Hishamuddin Hussein, and, allegedly, Najib himself.

REFSA Says | 25 Apr 2013

GE13: REFSA chooses transformation

FEATURED!
 ABN News

Text and pictures by: Teh Chi-Chang



On Sunday, May 5, Malaysians go to the polls. For the first time in our history, in the 56 years since Merdeka, we have a real choice in choosing who to grant the privilege of governing us. Which coalition will you

choose? The incumbent Barisan Nasional (BN), which is the only federal government that all of us have known so far? Or the young upstart Pakatan Rakyat?

We at REFSA have made our choice. We choose transformation. We choose Pakatan Rakyat.

Pakatan has transformed race relations. Malaysians of all races gather congenially under the PAS moon and DAP rocket. A Malaysian-Chinese flying the PAS flag, or a Malay waving the DAP rocket symbol, would have been an unimaginable sight as recently as Feb 2008. Pakatan leaders have transformed the prisms by which we view each other, and led Malaysians from narrow communal siloes to broader, harmonious

relations.

Pakatan has transformed state governments. The federal Auditor-General has given Penang top marks for being the best financially-managed state; and the RM1.2b cash savings in Selangor are the highest in 28 years.

Pakatan state governments were the first to give direct welfare aid to Malaysians: for example, the Senior Citizen Appreciation Programme in Penang and the TA-WAS programme in Selangor. Pakatan has demonstrated that it is possible to be financially responsible and populist at the same time.

Continue on Pg 23 >>






PICK YOUR WINNER!
BN vs PR

TALE OF THE TAPE

CHUA SOI LEK

LIM GUAN ENG

Malaysian Chinese Association (MCA) chief Chua Soi Lek retreats from the frontlines by not standing in the 13th general elections. Perhaps Barisan Nasional (BN) head Najib Razak does not consider this scardy cat a "winnable" candidate? But like a feline, the **65-year-old** has bounced back from a major fall before. Chua resigned as Health Minister in 2008 when video evidence of his extra-marital activities emerged, but he emerged from the dust to wrest the position of **BN chief coordinator** in 2009 and MCA president in 2010.

SCAREDY CAT VS CHIEF C.A.T.

Lim Guan Eng has certainly come a long way from being imprisoned in 1998 for speaking up for a rape victim. This **53-year-old** ex-'convict' became **chief minister of Penang** in 2008. Championing the principles of C.A.T. (Competency, Accountability, Transparency), Lim's administration has since earned global recognition for sterling financial performance and clean governance. Lim is also the **secretary-general of the Democratic Action Party (DAP)**, a component party of the Pakatan Rakyat (PR) federal opposition coalition. He is seeking the rakyat's renewal of his mandate to lead in the upcoming polls.

QUIT FOR WRONGDOING VS JAILED FOR PURSUING RIGHTS

Chua was the subject of severe public backlash when a **sex video** exposing his affair with a 'personal friend' went viral. Admitting that he was the man in the video, Chua **resigned** from his positions as Health Minister, Member of Parliament of Labis, and MCA vice president ahead of the 2008 general elections, making him one of the rare BN leaders who actually resigned following a scandal.

WINNING COMEBACKS

Two years after his downfall following the sex scandal, Chua **ascended to the MCA presidency**. In March 2010, Chua and his supporters in the central committee resigned – barely 6 months after Chua agreed to make peace and work together with then-president Ong Tee Keat [2]. This triggered fresh party polls. Chua went head-to-head with incumbent Ong and former president Ong Ka Ting for the top post, and emerged victorious.

PERFORMANCE AS THE LEADING MAN

This former 'jailbird' has flown to height after height after his release. He led the DAP to its **biggest ever electoral win** in the 2008 general elections. Along with coalition partners PKR and PAS, the opposition **denied BN a two-third majority in parliament** for the first time in Malaysian history and won control of an unprecedented 5 states. Lim subsequently became **Chief Minister of Penang**, which has since become one of the most vibrant states in Malaysia.

While serving as **Health Minister**, Chua was credited [3] with –

- **Reducing waiting time** at government hospitals from 3 hours to 90 minutes;
- Introducing **separate counters** for the disabled, senior citizens and patients with chronic diseases;
- Implementing the **harm reduction programme** to stop HIV infection among injecting drug users.

YAY!

Chua leads a political party but is afraid to face voters directly. Slinking in the shadows and cutting **behind-the-scenes deals** [4], he is the epitome of old-style patronage politics.

BOO!

• **Hypocrisy**. One example: saying that the practice of political parties owning stakes in media companies hinders freedom of the press [5], but then going on to appoint MCA member of parliament and ex-vice president Dr Fong Chan Onn as chairman of MCA-controlled the Star. MCA also acquired a weekly Chinese paper, The Tomato, in 2012 [6].

YAY!

• **Lack of regard for taxpayers' funds**. The veteran leader snubbed the significance of the 2011 Auditor-General's report, claiming that the BN federal government is not judged solely by its poor financial management [7].

BOO!

• Penang was praised by the Auditor-General (A-G) as the **best financially managed state** in Malaysia for each year from 2008 to 2010 [8]. The A-G also gave **top marks** to Penang in its 2011 report.

YAY!

• Transparency International commended Penang for being the first Malaysian state to implement **open tenders** in awarding contracts [9].

BOO!

• International magazine *The Economist* credited Lim's policies for **weeding out the cronyism and corruption** that had left Penang heavily in debt under previous BN state governments [10].

YAY!

• UMNO leaders lambasted the **open tenders** implemented by Lim's government, saying Malay contractors had lost their 'rice bowl' of government contracts; while MCA slammed it for "currying favours" with the non-Chinese. The numbers spoke for itself though – a study [11] revealed that **capable Bumiputra contractors are actually thriving** in the state.


BOO!

• BN criticised Lim for being "unfair" to poor Penangites as he had not provided **low-cost housing** [12]. However, Lim rebutted that Penang has in fact built affordable homes [13], and was even the **first state in Malaysia to eradicate hard-core poverty** in 2009 [14].

YAY!

• Lim has come under fire from NGOs, including the Consumers' Association of Penang, for a RM6.3 billion mega-project to build an **undersea tunnel and 3 highways** [15]. Lim, however, insisted that the tunnel and roads are **necessary to ease traffic congestion** as the federal government has blocked efforts to improve public transport in Penang [16].


Read full infographic at www.refsa.org



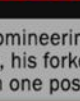
PICK YOUR WINNER!
BN vs PR



TALE OF THE TAPE



NAJIB RAZAK



ANWAR IBRAHIM

Najib Razak, current **Prime Minister** and **chairman of UMNO**, the domineering party within the Barisan Nasional coalition. Born in 1953, year of the Water Snake, his forked tongue is useful for different audiences; and the **60-year-old** deftly slithers from one position to another.

THE PRIME-MINISTER WANNABES

Anwar Ibrahim, de-facto **chief of federal opposition coalition Pakatan Rakyat**. Born in 1947, the year of the Fire Boar, boring would not be an epitaph for this **65-year-old** leader. But fire-brand describes his younger self who was detained while leading youth protest movements.

Najib, at the age of 23, **'inherited' the Pekan parliamentary seat** unopposed after the passing of his father and then Prime Minister Tun Abdul Razak in 1976. [1] No one has managed to wrestle the constituency from him ever since.

SILVER SPOON VS SCHOOL OF HARD KNOCKS

Anwar's journey in and out of prisons began when he was 27 and **detained under the ISA** for his role in a student protest over rural poverty. [2] In 1999, he started his battles against **charges of sodomy and corruption** that were widely regarded as **politically motivated**. He served 6 years in **jail**, and was charged with sodomy a second time in 2008 before finally being **acquitted in 2012**.

- The 2008 general elections saw Najib winning the Pekan parliamentary seat with the **highest majority among BN candidates**. He garnered over 36,000 votes equivalent to 78% of the total, trouncing his PKR opponent who mustered less than 10,000 votes.
- Shortly after his announcements of political reforms, including the repeal of the ISA, Najib's **approval rating shot to the highest he ever got – 71%** in Dec 2011 [3] Unfortunately, it has been on the decline ever since. Nevertheless, his most recent score (Feb 2013) is still a respectable 61% and he remains BN's "best selling point". [4]

GOLDEN DAYS


- Becoming **Finance Minister** (1991) and subsequently **Deputy Prime Minister** (1993). He was set to succeed then-premier Tun Dr Mahathir, but was sacked and subsequently charged of sodomy and corruption.
- In 2008, Anwar, after time in jail, officially returned to the political stage and to the Parliament as **Opposition Leader**. Since then, he has led the Pakatan Rakyat coalition that has made great strides in earning acceptance as a potential alternative to the BN federal government that Malaysians have known for over 55 years.

Najib churned out an **alphabet soup of initiatives** to reform the way Malaysia is run, such as the Government Transformation Programme (GTP), the Economic Transformation Programme (ETP) and the Political Transformation Programme (PTP). He also **abolished the Internal Security Act (ISA)**, as well as **amended the Printing Presses and Publications Act (PPPA) and Evidence Act**. However, his **sincerity has been repeatedly disputed**:

- REFSA's analysis revealed the ETP is "business-as-usual" disguised with **perception manipulation** and blatant lies. [5]
- The Security Offences Bill which replaced the ISA falls short of international standards and continues to allow for **abuses of human rights**. [6]
- Publications no longer have to renew their publishing licenses, but they are still **subjected to the purview of the Home Minister** who holds the power to revoke these licenses. [7]
- The amendment to **Section 114A** of the Evidence Act sparked protests that culminated in a nationwide Internet Blackout Day that gained international attention. [8]

CATCHPHRASES: TRANSFORMASI vs REFORMASI

Anwar kicked off the **Reformasi** movement in 1998 after being fired as deputy prime minister. The movement targeted then-premier Dr Mahathir, who was accused of cronyism and corruption. [9]

 **Reformasi** eventually gave rise to **Parti Keadilan Rakyat (PKR)**, the logo of which incorporates the graphic of an eye, seemingly to allude to the infamous black eye he suffered in the police lock-up at the hands of then-Inspector General of Police (IGP) Tan Sri Abdul Rahim Noor. [10]

PKR went on to form a coalition with DAP and PAS during the 2008 general elections, which **won control of 5 state governments** and **denied BN a two-third majority** in Parliament for the first time in history.

THE REAL DIFFERENCE #1



With both Barisan Nasional and Pakatan Rakyat afflicted by in-fighting, dodgy old leaders and foggy manifestos, is voting in the 13th General Elections really just choosing the lesser evil? Or are we being distracted from the crucial differences separating these two coalitions that spell out that ONE CLEAR-CUT CHOICE?

Barisan Nasional

UMNO chief and (caretaker) premier Najib Razak slithers from one position to another and speaks with a forked tongue to different audiences.

- His inclusive babbling of '1Malaysia' rings hollow when he is silent in the face of vitriol such as Perkasa's "burn-Malay-bibles" tirade.
- He signed an Election Integrity Pledge [1], but remained silent at BN supporters' violence against federal opposition leaders [2].
- He falsely claimed that the Malaysian economy grew by a massive 49% on national TV [3]. His Economic Transformation Programme is really a facade of lies and perception manipulation [4].

Sure, both sides have
OLD, DODGY LEADERS



Pakatan Rakyat

Dubbed a "chameleon", many still wonder what the true colours of **PR de-facto chief Anwar Ibrahim** are.

- Once an Islamist student leader detained under the ISA for leading protests in the 70s, Anwar then shocked his comrades by joining UMNO in 1982 [5].
- Anwar promised Malaysians that the controversial Lynas plant will be dismantled if PR wins Putrajaya, but assured Australians that he will be "the first to champion the plant" if inquiries found it to be safe [6].

Sure, both sides have
PARTY IN-FIGHTING



BN members spoil their votes in the 2008 general elections when their preferred candidates were not chosen to stand, revealed former Wanita UMNO president Rafidah Aziz [7].

Gelang Patah MCA members slammed their president Chua Soi Lek in a rally for dropping their division chief Jason Teoh and allowing an UMNO candidate to stand for the seat instead [8].

A public spat broke out between Johor PKR chief Chua Jui Meng and Johor DAP chief Dr Boo Cheng Hau over parliamentary seats in Johor [9].

National DAP vice president M Kulasegaran openly accused Perak DAP chief Ngeh Koo Ham and state secretary Nga Kor Ming of sidelining him and the Indian community, as well as engaging in corrupt practices [10].

BUT ONLY **ONE** SIDE HAS
CAPABLE YOUTHFUL LEADERS



Khairy Jamaluddin
UMNO Youth Chief
Defended the NFC's use of taxpayer money to purchase luxury condominiums in the Cow-gate scandal [11].



Chua Tee Yong
MP - Labis
Accused the Selangor state govt of wrong-doing in the Talam land deal, but his claims were proven false [12].



Nurul Izzah Anwar
MP - Lembah Pantai
Exposed tainted and sub-standard food sold at KR1M stores [13].



Hannah Yeoh
ADUN - Subang Jaya
Uncovered UMNO buying public land at abnormally low prices [14].



Rafizi Ramli
PKR Strategic Director
Unearthed NFC Cow-gate scandal and massive MRT contract awarded to an incompetent contractor [15].



Gobind Singh Deo
MP - Puchong
Sought justice for custodial death victims, including Teoh Beng Hock [16].

Other examples of competent young blood in Pakatan Rakyat:

Tony Pua, Nik Nazmi Nik Ahmad, Teo Nie Ching, Liew Chin Tong, Zairil Khir Johari, Dr Ong Kian Ming, Steven Sim and etc.

THE REAL DIFFERENCE #2

With both Barisan Nasional and Pakatan Rakyat afflicted by populism, dodgy old leaders and foggy manifestos, is voting in the 13th General Elections really just choosing the lesser evil? Or are we being distracted from the crucial differences separating these two coalitions that spell out that ONE CLEAR-CUT CHOICE?

Sure, both sides are
POPULIST



Barisan Nasional

PROMISES



RM200
smartphone
rebate for youths



Free tyres for
cabbies every
year



Lower car prices
(for luxury
foreign cars [1])



RM1,200 per
qualified family
annually



RM600 aid to
unmarried
Malaysians



1 million
affordable
housing

BN manifesto with its **17 broad thrusts** and **over 150 promises** does seem a little overblown for the fact that it hardly mentions any measures to control misbehaving 'corporations'... [2]

- Lawrence Yong, KiniBiz

Pakatan Rakyat

PROMISES



RM1000 for
senior citizens
annually



Free education
in public
universities



Reduce car
prices across-
the-board



Lower petrol,
electricity &
water prices



Increase
pension funds
for ex-soldiers



Abolish
highway tolls

[The Pakatan Rakyat manifesto] looks set to make Malaysia a welfare state [...] that puts **more emphasis on how to spend** rather than how to create wealth. [3]

- Wan Saiful Wan Jan, IDEAS chief executive

Sure, both sides
**HAVE/WANT
TO SPEND LOTS
OF MONEY**



The BN federal government OVERSPENT for 15 years consecutively [4]

Year	Proposed spending [5]	Actual spending [6]
2008	RM 177b	→ RM 195b
2009	RM 206b	→ RM 208b
2010	RM 191b	→ RM 203b
2011	RM 214b	→ RM 228b
2012	RM 233b	→ RM 250b

Can we afford it? Our debt level (including hidden debts) has **overshot the 55% debt ceiling!** [7]

The PR Manifesto

will amount to **RM 46 billion** [8]

Common criticisms from analysts [9]

Some of the promises may put Malaysia further in debt.

Oil price cut goes against the fundamentals of supply and demand.

The manifesto 'will bankrupt the economy' [10].

But only **ONE** side
**IS GOOD AT
BUDGETING**



The BN govt has **borrowed two times more** in the last 6 years than in the 48 years after Merdeka! [4]



Tunku Abdul
Rahman
1957



Abdullah
Ahmad Badawi
2005



Najib Razak
2011

2005 NATIONAL
DEBT: **RM 229b**

2011 NATIONAL
DEBT: **RM 456b**

RM456b + hidden debts (contingent liabilities) = **RM 573b**

Every Malaysian man, woman and child is
shouldering a debt of **RM20,000!**

Auditor-General report 2011:

Top marks for Pakatan-led states

Selangor

RM 1.2b [11]
cash savings in 2011
(highest in 28 years).

Kelantan

58% rise in
consolidated
funds in
2011. [12]

Penang

95% debt
reduction in
3 years [11]

47% increase in
revenue [12]

A-G's report 2008-2010:
**BEST FINANCIALLY-
MANAGED STATE** [13]

THE REAL DIFFERENCE #3

With both Barisan Nasional and Pakatan Rakyat afflicted by hudud squabbles, dodgy leaders and foggy manifestos, is voting in the 13th General Elections really just choosing the lesser evil? Or are we being distracted from the crucial differences separating these two coalitions that spell out that ONE CLEAR-CUT CHOICE?

Barisan Nasional

Pakatan Rakyat

Sure, both sides have

HUDUD ISSUES

BN Kemeluh candidate Ayub Rahmat



wants Johor to implement the 'true hudud law' for **ALL RACES**

This differs from PAS' version of hudud law in Kelantan*! [1]

*PAS promised that the hudud law in Kelantan will not affect non-Muslims.

MCA chief Chua Soi Lek slams hudud law. [2]

1.2 million Malaysians would lose their jobs if PAS implements hudud in Malaysia. [3]



If hudud law is such a bane for MCA, why isn't it actively seeking the repeal of **HUDUD IN BN-RULED TERENGGANU?**

PAS, as an Islamic party, naturally has Islamic law as a foundation of its struggle, which has been the subject of political point-scoring by BN.



In 2011, PAS called on then premier Najib to amend the Constitution to allow for hudud. [4]



DAP threatened that the entire central leadership will resign if hudud becomes the coalition's joint stand. [4]

Fact: Hudud was not included in the Common Policy Framework, nor the Pakatan Manifesto for GE13. [5]

Sure, both sides have

DINOSAURS



Even the Top 2 of BN are backward-minded!

We will ensure that... deviant thoughts such as liberalism and pluralism, will not get any place in this country. [6]

[Caning of Muslim women] is to educate and remind Muslims to honour and abide by their religion. [7]



Kota Bahru municipal council in Kelantan summoned a female hairdresser for cutting a male customer's hair. [8]

The state govt has since suspended the gender-segregation rule. [9]

DAP election publicity chief Dr Hew Kuan Yau drew flak for his liberal use of crude language in public speeches. [10]

%!@#



But only **ONE** side

CONDONES POLITICAL VIOLENCE

BN supporters have attacked and chanted death threats against Pakatan leaders. [11]



Caretaker PM Najib hears no evil

Cops used **excessive force** on participants of Bersih 3.0, declared Suhakam. [12]



Caretaker Home Minister sees no evil



PR leaders spoke out against anti-Lynas activist Wong Tack's threat to torch the controversial rare earth refinery. [15] Wong Tack later apologised.

In fact, Najib instructed the **screening of Tanda Putera** to Malay Felda settlers, [13] although it is a film which the Cabinet decided to hold back because it contains offensive scenes that may **cause conflict**. [14]

THE REAL DIFFERENCE #4

With both Barisan Nasional and Pakatan Rakyat afflicted by political dynasties, dodgy leaders and foggy manifestos, is voting in the 13th General Elections really just choosing the lesser evil? Or are we being distracted from the crucial differences separating these two coalitions that spell out that ONE CLEAR-CUT CHOICE?

Barisan Nasional

Pakatan Rakyat

Sure, both sides have
POLITICAL DYNASTIES




Abdul Razak Hussein
Former PM


Najib Razak
Caretaker PM

COUSINS


Hussein Onn
Former PM


Hishammuddin Hussein
Caretaker Home Minister


Mahathir Mohamad
Former PM


Mukhriz Mahathir
Caretaker deputy International Trade and Industry Minister


Anwar Ibrahim
PKR de-facto chief


Nurul Izzah Anwar
PKR vice president

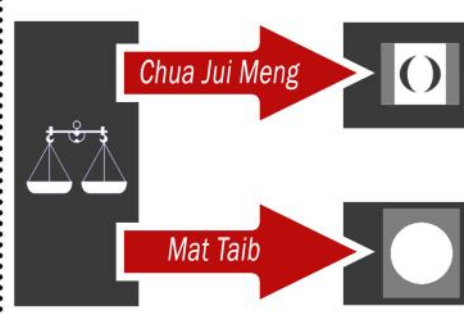

Lim Kit Siang
DAP advisor


Lim Guan Eng
DAP secretary-general


Karpal Singh
DAP chairperson


Gobind Singh Deo
DAP national legal bureau chairman

Sure, both sides accept
PARTY HOPPERS



But only **ONE** side
REWARDS CHAUVINISTS



Kinabatangan
Candidate


Bung Mokhtar

Women groups have repeatedly demanded Bung to resign for his sexist remarks. [1]

'Transformation'
candidate for
Shah Alam


Zulkifli Nordin

Insulted Hindus and labelled Indians with the perjorative term "keling". [2]

Titivangsa
candidate


Johari Abdul Ghani

Angered non-Malays by declaring that UMNO doesn't need their votes. [3]

Ibrahim Ali
Hasan Ali

Both are infamous for their extreme statements.

SACKED

Ibrahim Ali was made the president of Perkasa, an organisation linked to BN. [4] Perkasa also offered Hasan Ali a position. [5]





REFSA Rojak is our weekly take on the goings-on in Malaysia. We trawl the newsflow, cut to the core and focus on the really pertinent.

Full of flavour, lots of crunch, this is the concise snapshot to help Malaysians keep abreast of the issues of the day.

Our editorial pick of the TOP 5 News Items from January to May 2013:

#5 Land-'lords' robbing Sarawak bare

International NGO Global Witness zoomed in on the blatant plundering of Sarawak's natural resources, and opened a repulsive can of leeches. An explosive video, secretly recorded by its undercover investigators, featured chief minister Abdul Taib Mahmud's family members spilling the beans on how they made lucrative profits at the expense of the indigenous poor, and got away by cunningly skirting the law.

The 16-minute film notes the elite family's misplaced sense of entitlement to the land, when in fact logging licenses issued by Taib encroached upon the ancestral territory of the natives. According to Global Witness, less than 5 percent of Sarawak's forest is currently left standing.

Taib has refused to cooperate with the Malaysian Anti-Corruption Commission (MACC), labeling it as "naughty". Not only is he still enjoying the good life of being, reportedly, richer than the Queen of England, he also got a three-fold salary hike from the BN federal government recently.

#4 Sabah under siege

Sabah has been the target of scrutiny for the past few months – crosshairs are focused on the armed intruders in Lahad Datu, while eyes are peeled on illegal immigrants given blue identity cards.

Our sovereignty came under siege early this year, as Sulu militants barged into Sabah in broad daylight and demanded to reclaim the state. Curiously, then Deputy Defence Minister declared that the "Home Ministry is in charge of the situation and the police have the powers to handle it". Why were cops sent to confront the Sulu army when we have a Defence Ministry which swallowed RM15 billion of Budget 2013 spending? Could the deaths of the eight policemen have been averted if control of the situation was given to those trained for military combat?

While the government is fighting off one troop of foreigners, it was alleged to have welcomed another hoard of illegal immigrants with open arms and blue MyKads. Former Sabah National Registration Department (NRD) officers and directors claimed that the department was instructed by the then state Election Commission (EC) to furnish hundreds of thousands of foreigners with identity cards in exchange for votes. Tun Dr Mahathir himself admitted to granting citizenship to Filipinos in Sabah when he was Prime Minister, but argued that this was "within the law".

#3 Voices of reason gagged

Thanks to the infamous 'Kak Listen', we had our fair share of sniggers at some of the most creative parodies Malaysians had come up with. Sharifah Zohra Jabeen, president of an obscure NGO Suara Wanita Malaysia, had drew public fire for her bullying

tirade and "listen, listen, listen" command against a student's persistent questioning at a public university forum.

But guess who has not learnt anything from the drama? The BN federal government deported Australia senator Nick Xenophon for "humiliating Malaysia", as Xenophon criticised the government's handling of the Bersih 3.0 rally. This earned Putrajaya the label 'bully-boy' in the *Sydney Morning Herald*.

On top of that, a Universiti Malaya forum was ordered cancelled just because PKR and PAS politicians would be participating, while economist Azrul Azwar Ahmad Tajudin was suspended by Bank Islam for expressing his professional opinion that BN might lose the next elections. School teachers were not spared from the gagging – they were warned not to make anti-government statements on social media, or risk disciplinary action.

While voices of reason are denied a platform, the Prime Minister openly expressed support for the screening of controversial film *Tanda Putera* to a select audience of FELDA settlers, although the film was held back by the Cabinet for containing "scenes that may cause conflicts".

#2 Pricey war

Election is an expensive game, and even more so if you play it like BN. The barrage of the federal ruling coalition's advertisements we see in the run-up to GE-13 had cost the Prime Minister's Department (PMO) and BN RM73 million in March 2013. The revelation by consumer analysts Nielsen Media Research placed PMO as the top advertisement spender in Malaysia, trumping corporate giants like Nestle and Unilever Malaysia. This is on top of the goodies and cash handouts showered upon civil servants and poor Malaysians.

BN even promised to increase the Bantuan Rakyat 1Malaysia (BR1M) handouts to RM1,000. Is the ruling coalition even aware that our national debts (including hidden debts) have soared past the 55 percent ceiling? The answer may be 'no'. After all, our Prime Minister seems to believe that our economy is hunky-dory. He boldly announced on national TV that our Gross National Income (GNI) increased by 49% from 2009 to 2011. The truth is that World Bank data showed only an increment of 16 percent!

It appears that Putrajaya is starting to feel the pinch though – Minister in the PM's department Datuk Seri Idris Jala is eager to implement the goods and services tax (GST), and seemed to suggest 7 percent as a start.

Idris says this would pump in an additional RM27 billion into government coffers. However, financial experts warned that starting at 7 percent may cause high inflation. Moreover, 80 percent of Malaysians have qualified for BR1M. How can a nation with a majority needing government financial aid be ready for GST?



#1 BN wins GE-13 with minority votes

The billions of ringgit poured in by BN could not buy the hearts of the Malaysian majority. The blue team had won GE-13 with a mere 47 percent of popular vote – a historic low. The fact that BN was declared the new government without majority support brought overwhelming attention to the unfairly divided constituencies. One rural vote is reportedly equivalent to six urban votes, and calculations showed that BN only need to score 17 percent of popular vote to rule Malaysia!

Chinese bear the brunt of the blame – Dato' Sri Najib Razak said BN's dismal performance is due to a "Chinese tsunami". However, an analysis showed that Pakatan Rakyat won in 59 mixed-race federal seats, almost double its 30 wins in Chinese-majority seats. Hence, the GE-13 result was really a "Malaysian tsunami".

The poll results are a sobering call – not just for BN, but for Pakatan Rakyat as well. While the *ubah*-chanting coalition had won 50.3 percent of the popular vote, this number also reveals that nearly half of Malaysian voters, mostly in the rural areas, remained to be convinced.

The race to Putrajaya had also been one of the tightest in history. BN had pulled out all the stops, including promises of goodies, running a controversial ad-buzz against DAP, inviting Korean superstar Psy for its Chinese New Year party in Penang and so on. The coalition was also alleged to have secured their victory through dubious voters, money politics and fraud.

To protest the election result, Pakatan had led the Black 505 rallies, one of which saw the attendance of 120,000 Malaysians in and around the Kelana Jaya stadium. Nonetheless, life goes on in the government. Najib announced his new line-up of Cabinet ministers, which did not transform very much, save for more ministers from Sabah and Sarawak and non-political faces such as Transparency International's Datuk Paul Low. It will be interesting to see how Low is going to tackle the prevalent graft culture in the federal government. We certainly hope he won't be a one-man army.

J.P. Morgan's praise of the ETP is misplaced

By: Teh Chi-Chang

Global investment bank J.P. Morgan released a report which said, "Positive structural changes are underway with economic rebalancing through the M\$1.4T Economic Transformation Programme".

We at REFSA are very intrigued by the approving comments emanating from the august house of J.P. Morgan. It is completely the opposite of our findings after scrutinising the Economic Transformation Programme (ETP) Roadmap, 2011 ETP Annual Report and related material to understand what PEMANDU had planned for us Malaysians.

Our extensive analysis of the ETP, freely available at www.refsa.org and widely carried by the on-line community, found basic numbers that did not add up, projects that looked dubious, decisions which made little economic sense and worst of all, perception manipulation and outright lies by this powerful unit in the prime minister's department. For example:

1 Economic progress is actually much slower than what PEMANDU claims –

The Malaysian economy grew by just 4.7% in 2011, well below the average 6% per year required by the ETP;

While PEMANDU trumpeted RM179 billion of committed investments in 2011, a mere 7% of that, or just RM12.9 billion were actually realised;

2 Erroneous assumptions were made that resulted in the national income and job creation numbers being slashed by a massive 45% and nearly 20% respectively. This begs the question, *"Were projects with grossly inflated forecasts accepted as Entry Point Projects (EPPs) over other projects that were more truthful and conservative in their projections?"*

3 Most shockingly, we discovered that PEMANDU was not being truthful about its progress. The most audacious lie is PEMANDU claiming 100% credit for the construction of a 200mm wafer fab in Dec 2011 when in actual fact the company that was supposed to build and oper-

ate this RM1.9 billion wafer fab was in the process of being declared insolvent!

Up to now, PEMANDU has not admitted that the economic growth and investment numbers are below par, let alone outline any moves to improve the pace of growth and *actual* investments. Neither has PEMANDU addressed the very important question of "Were Entry Point Projects (EPPs) with exaggerated forecasts chosen instead of other projects, which were more realistic and honest?" And worst of all, PEMANDU has not, at least publicly, taken any action against the officers responsible for the shameless lie that a RM1.9 billion wafer fab plant was 100% complete when it does not even exist!

We are sure that J.P. Morgan, which aims to be "the world's most trusted and respected financial services institution" has sound and reasonable foundations underlying its published research. In the spirit of constructive discourse, and for the benefit of all Malaysians, REFSA invites J.P. Morgan to elaborate on and support its statement that the ETP is resulting in "positive structural changes". As loyal Malaysians who wish to see our country grow and prosper, we appreciate any insights that will take us forward.

>> Continued from Page 15

Inspiring stalwarts and promising talents

Pakatan has proven that it can transform Malaysia for the better, in contrast to the 'transformation' that prime minister Najib uses as a smoke-screen to hide business-as-usual shenanigans. Even BN supporters seem to tacitly agree. "What is the alternative?" is their common response when asked why they support the dacing. They do not extol the virtues of Najib or of the BN. Instead, they imply the alternative is worse.

Indeed, a key thrust of the BN election campaign is fear mongering and cultivating mistrust and divisiveness. Malays are warned that the DAP will install a Chinese-Christian prime minister who will threaten their interests; the Chinese are presented with the spectre of PAS-instigated hudud law and everyone is cautioned that "Najib sees dire consequences for markets if Pakatan wins".

The mainstream media BN propaganda machine conveniently disregards the contradiction and inherent implausibility of a Chinese-Christian prime minister making Christianity the official religion and imposing hudud law. That such double falsehoods have traction with Malaysians is testimony to the triumph of successive BN federal governments in cultivating mistrust among us and

of our schools do not have access to something as basic as clean water?

It is depressing to find the incumbent government so insipid and insecure that it must resort to oxymoronic negativities in its election campaign. Perhaps Pakatan is so strong that the old men at BN cannot find real, solid, reasonable themes to support their case.

True, Pakatan chief Anwar Ibrahim has issues. But unlike Najib, who is "BN's best hope", **Pakatan has a depth and breadth of talent.** Experienced stalwarts like Tok Guru Nik Aziz and Lim Kit Siang have inspired a profusion of younger leaders who are set to take Malaysia forward. Just to name a few: Lim Guan Eng, Mat Sabu, Tony Pua, Husam Musa, Dr Dzul, Teresa Kok, Salahuddin Ayub, Nurul Izzah, Liew Chin Tong, Hannah Yeoh, Fuziah Salleh and Rafizi Ramli.

True, there is infighting within Pakatan, but that can also be interpreted as a vigorous exchange among equals. Unlike domineering UMNO, **Pakatan is a genuine coalition of 3 equal parties**, each with their own strong personalities, and the venting of different views is vital for political revitalisation. So there will be arguments and there will be squabbles before a consensus is reached – just

crippling our education system. Did you know: 15%

like in any family.

True, there are party hoppers and frogs, but these are the exception, not the norm. Extremists such as Hassan Ali, Ibrahim Ali and Zulkifli Nordin were expelled (and found homes within the BN). Top Pakatan leaders are selfless and willing to sacrifice their political careers for their parties. Consider PAS vice-presidents Husam Musa and Salahudin Ayob, who have left their safe, comfortable home seats to pursue the Pakatan cause in the BN strongholds of Putrajaya and Pulau, Johor, where UMNO was born.

REFSA chooses Pakatan for transformation, harmony, prosperity and stability in action. We reject the deceptive rhetoric proffered by the BN and disseminated by its formidable propaganda machine. To those who prize 'neutrality', we say being neutral is also making a choice, albeit passively.

If you are neutral in situations of injustice, you have chosen the side of the oppressor. If an elephant has its foot on the tail of a mouse and you say that you are neutral, the mouse will not appreciate your neutrality

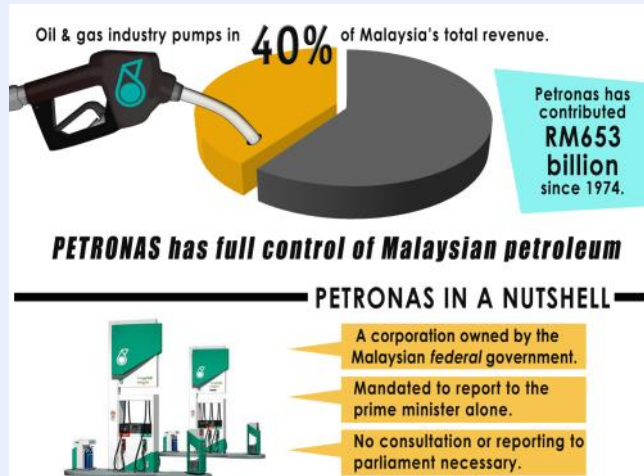
– Desmond Tutu

Having made our choice, we will continue to work on relevant facts and sparkling analysis. As always, we welcome constructive discourse. No lies for us – we are confident the truth will prevail.

The Malaysian Oil and Gas sector - Scoping Report

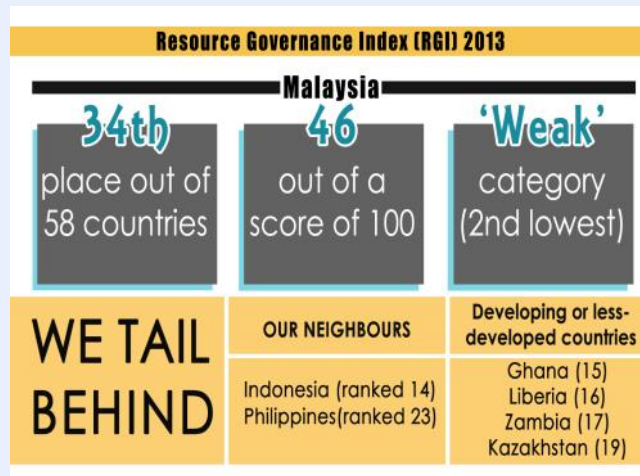
By: Ong Kar Jin and Teh Chi-Chang, CFA

(Based on the report by Eugene Lee)



The cornerstone of the Malaysian economy. The oil and gas (O&G) sector contributes about 40% of the nation's total revenue. In 2012, the federal government collected RM34.4 billion in direct and indirect taxes from the O&G industry. Besides paying taxes, the national oil company, Petronas, also contributes directly to federal government subsidy programmes such as cheap gas for independent power producers.

As transparent as crude oil. There is very little public information on this crucial sector. Petronas, by law, is answerable only to the Prime Minister himself. Underneath the smooth Petronas operations, issues fester such the non-payment of oil royalties to state governments controlled by the Pakatan Rakyat federal opposition, the increasing dependence of the federal government on dividends from Petronas and Petronas' ability to sustain itself going forward.



Still water runs deep. Petronas itself is generally perceived as well managed – it ranked slightly above average among national oil companies in a 2011 World Bank paper on governance and performance – but the issues are deeper. A 2011 report by Transparency International and the Revenue Watch Institute places Malaysia below-average in terms of revenue transparency.

The way forward. Joining the Extractive Industries Transparency Initiative (EITI) would facilitate greater transparency and accountability. The scoping report on which this Focus Paper is based is the first step. It aims to establish a baseline of knowledge to facilitate advocacy efforts towards this goal.



Read the full scoping report *Malaysia's Oil & Gas Sector* at www.refsa.org