Who will succeed Zeti?

BY **JOSE BARROCK**
AND **SUPRIYA SURENDRAN**

KENNY YAP/THE EDGE

SAM FONG/THE EDGE

SUHAIMI YUSUF/THE EDGE

THE EDGE

From left: Zeti and the three likely candidates to take over from her — Abdul Wahid, Mohd Irwan and Awang Adek

With all indications showing that Bank Negara Malaysia Governor Tan Sri Zeti Akhtar Aziz's tenure will not be extended and she will retire in April, who will succeed her is now a subject of much speculation and lobbying.

Although Zeti herself said recently that the central bank has its own succession plan — meaning an internal candidate is preferred — it is unlikely she will get her way.

Bank Negara's highly independent and professional handling of the problems it has with 1Malaysia Development Bhd (1MDB) in recent months has not endeared the much respected central bank and its officers to certain powerful forces.

Hence, at this stage, an outside figure is likely to be appointed when Zeti steps down after 15 years as governor, people familiar with the discussions say.

The two front runners at the moment are Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar and Tan Sri Dr Mohd Irwan Serigar Abdullah, the secretary-general of the Ministry of Finance (MoF).

A third candidate said to be under consideration is former Bank Negara assistant governor Datuk Dr Awang Adek Hussin, who is currently Ambassador to the United States.

Awang Adek served the central bank from 1985, before leaving in 2001 to enter politics. In 2004, he contested and won the Kelantan parliamentary seat of Bachok and was appointed deputy minister of Rural and Regional Development and later deputy finance minister. He lost in the 2008 general election and was appointed a senator before taking up the position in Washington in 2014.

Abdul Wahid is no stranger to the Malaysian corporate sector. An accountant by training, he was the CEO of Malayan Banking Bhd before being appointed senator and a cabinet minister in 2013.

Prior to Maybank, Abdul Wahid was CEO of Telekom Malaysia Bhd and had made his name as the CEO in the turnaround of the Renong and UEM group of companies in 2002.

Mohd Irwan, on the other hand, has always been in the civil service, with stints at the Economic Planning Unit of the Prime Minister's Department from 1984 before joining the MoF in 2003, where he held various positions, including principal assistant secretary in the Economics and International Division, head of the Econometrics Section and head of Multilateral Relations. He is on the board of advisors of 1MDB.

The two internal candidates are deputy governors Datuk Muhammad Ibrahim and Datuk Nor Shamsiah Mohd Yunus.

Muhammad joined Bank Negara in 1984. He has served as managing director of Danamodal Nasional Bhd, a bank recapitalisation agency created during the Asian financial crisis of 1998, and is a former commissioner of the Securities Commission of Malaysia. He is also on the Petroliam Nasional Bhd board governance and risk committee.

Nor Shamsiah joined the central bank in 1987, and rose through the ranks. She is the most senior officer in charge of bank supervision.

Under Section 15 (1) of the Central Bank of Malaysia Act 2009, "The Governor shall be appointed by the Yang di-Pertuan Agong and the Deputy Governors by the Minister".

Zeti's impending departure comes at a time when the economy is facing numerous challenges and the appointment of a credible and respected successor is critical.

The country is facing economic headwinds with a weak ringgit, low crude oil prices and the ongoing investigations, locally and elsewhere, into the affairs of 1MDB. Bank Negara is also one of the investigating parties.

The ringgit is expected to come under further pressure as the US Federal Reserve slowly but surely raises the Fed fund rate, which has been kept near zero since 2008.

The crude oil price has tumbled close to 70% from its recent peak of US$120 per barrel to around US$40, exerting a major strain on government finances.

And there is the Zeti factor. She has been at the helm of the central bank since 2000, and her steady hands have guided the financial system and economy through various adversities including the global financial crisis of 2007 to 2009. Under her, Bank Negara built a stockpile of foreign exchange reserves which has acted as a comforting buffer in the past year as the ringgit came under selling pressure.

One thing is certain — hers will be big shoes to fill, as she continued the tradition of a Bank Negara governor who upholds the values of integrity and professionalism as the custodian of the country's reserves and banking system.

Any successor must, therefore, measure up to the same standards. E