

Malaysia election sees hung parliament as Anwar, Muhyiddin race to form government

November 20, 2022



True to expectation, Malaysia's 15th general election has resulted in a hung parliament, despite a historic voter turnout boosted by automatic voter registration and a lowering of the voting age. None of the three major national coalitions (Pakatan Harapan, Barisan Nasional and Perikatan Nasional) failed to secure a simple majority of 112 seats in the Lower House of Parliament as of the current time of writing.

Ethnic Malay voters largely rejected BN lynchpin United Malays National Organization (UMNO), swinging towards Islamist party PAS and its ally UMNO-splinter Bersatu, both under the PN coalition. PN is now neck and neck with Anwar Ibrahim-led PH as both coalitions won 73 and 82 parliamentary seats respectively, failing to secure an outright simple majority. BN—the grand old party of Malaysian politics—suffered its worst battering in election history, winning only 30 seats out of the 179 seats it contested. Sarawak's Gabungan Parti Sarawak (GPS) won 22 seats, putting it on track to become a kingmaker in the formation of the next federal government.

The next 24 to 48 hours will be crucial as both PH chairman Anwar Ibrahim and PN chairman Muhyiddin Yassin race against time to discuss with parties in Borneo as well as BN to form the federal government. Both leaders have proclaimed that they have fulfilled the prerequisites needed to form the new government; however, details remain scarce as negotiations continue to be held as of Sunday. The Palace has yet to make a statement on which leader will be invited to meet the King and have the first opportunity to showcase the minimum threshold needed to become Prime Minister.

UMNO and BN find themselves in a conundrum, as an alliance with either PN or PH are politically unpalatable yet remain the only recourse moving forward unless the coalition is willing to embrace a role as a federal Opposition. A post-electoral pact with either PN or PH will effectively leave UMNO/BN as a junior partner, a situation which ultimately led to UMNO calling for elections in the first place. However, a humbled and battered UMNO may not have much choice should it still harbor ambitions to be a part of a ruling government. Internally, calls for BN chief Ahmad Zahid Hamidi to resign have intensified within hours after the election concluded, and as votes were being tallied.

While parties may be persistent in building coalitions to gain parliamentary majority, failed efforts will lead to the King's intervention to bypass the hung parliament. Under the circumstance that neither coalition can surpass control of 50 percent of parliament, the King is given the discretion to appoint a Prime Minister under the constitution, with the condition the candidate must likely—in his judgment—command the confidence of most of the members of the Lower House.

After a Prime Minister is sworn in, Malaysia's new chief will build his Cabinet in the upcoming weeks either progressively or all at once. Notably, according to prior manifestos, both BN and PH governments have promised 3 Deputy Prime Ministers, both offers as bargaining chips to the Eastern Malaysian political bloc.

Despite the impending post-electoral pact that will serve as the government of the day; political instability remains very much a permanent fixture in Malaysia as political interests and alliances continue to be fluid. Malaysia may well see similar elections on a national scale before the end of one traditional election cycle.

Confidential - This report is intended for clients and close contacts of the firm, and is not attributable