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Sunday, April 12, 2020

Malaysia Gets A New Finance Minister

Zafrul Aziz becomes the first non-politician in the country's history to hold the position.

APRIL 07, 2020

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“It is too rough for me,” Zafrul Aziz said in a 2017 interview, explaining why he was ruling out a career in government. Last month, he became Malaysia’s finance minister—the first nonpolitician to hold the position in the country’s history.

Aziz, although just 46, has over two decades of experience in the financial sector. He was CEO of CIMB Group Holdings, the country’s second-largest banking services company, until he was hand-picked to join the cabinet of new Prime Minister Muhyiddin Yassin, who succeeded 94-year-old Mahathir Mohamad after a power struggle between the parties in the ruling coalition.

Aziz’s appointment signals the attempt to win over the confidence of the markets at a time when growth in Southeast Asia’s third-largest economy is already at a 10-year low as a consequence of the US-China trade

war. With a bachelor's degree in economics and accounting from the University of Bristol, Aziz is known to not shy away from a challenge. He has spent his career at some of the country's most important banks, including a three-year stint as investment chief at Malaysia's biggest lender, Maybank. A keen cyclist and an Ironman competitor, he also gained some degree of celebrity after he was the judge on a corporate reality-TV show more than a decade ago.

Yet, Aziz's debut in politics is already proving rougher than he could have ever predicted. The COVID-19 outbreak will inevitably put further pressure on the country's finances, says Diego Comin, a professor of economics at Dartmouth College: "Malaysia, as a very open economy, will be particularly impacted by the global situation, and more specifically by how China does in the new global context."

On top of these latest emergencies, Aziz will have to tackle some of the country's long-term structural problems. "Malaysia still faces the challenge of transforming the economy into a modern, knowledge-intensive one, where manufacturing is more productive, and services outside the now-dominant financial and real estate sectors add greater value," Comin argues. "Additionally, it has suffered from structural budget problems, where the government revenue from the national oil and gas company Petronas would be necessary to balance the budget."

Aziz has his work cut out for him, and then some.