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## **Anwar Ibrahim's Cabinet Reshuffle: Staying the Course**

*By Ariel Tan*

### **SYNOPSIS**

*Prime Minister Anwar Ibrahim's recent cabinet reshuffle was intended to address public pressures for better governance and to cultivate political allies, while maintaining his hold on power.*

### **COMMENTARY**

The most important effect of Prime Minister Anwar Ibrahim's cabinet reshuffle on 12 December is the appointment of a second finance minister, Amir Hamzah Azizan; the second being the infusion of more ministerial experience. It takes place just before the Sultan of Johor becomes the new Head of State in January 2024 under Malaysia's unique rotational monarchy.

Anwar needs to raise public confidence in his government's management of the economy. Concerns over its trajectory and the rising cost of living were cited by Merdeka Center as reasons for a fall in public approval of the prime minister and his administration in October. The Malaysian ringgit and Kuala Lumpur stock exchange enjoyed a rally on the day of the reshuffle.

The reshuffle saw only one removal, the tainted then human resource minister, V. Sivakumar (from the Chinese-majority Democratic Action Party or DAP). It injected five new additions: second finance minister Amir Hamzah Azizan, human resource minister Steven Sim (DAP), plantation and commodities minister Johari Abdul Ghani (Malay nationalist United Malays National Organisation or UMNO), health minister Dr

Dzulkefly Ahmad (progressive Islamist Amanah), and digital minister Gobind Singh Deo (DAP); the latter three being ministers from previous administrations.

The administration saw 11 new ministers, including those that changed portfolios. Two ministries were split into four, namely, the communications ministry, digital ministry, energy transition and public utilities ministry, and natural resources and sustainability ministry.

However, substantively, the reshuffle does not portend any course correction, rather, a reinforcement of Anwar's political position and approach since taking office. In explaining the split of the communications and digital ministry into two, he noted that the government's policies were impressive but that government communications for conveying those policies could be improved.

The appointments reflect Anwar's prioritisation of the cooperation of his political allies, and the Malay establishment including the respective sultans and the civil service.

Indeed, the prime minister followed up the reshuffle with a speech where he gave reassurances that retired civil servants' pensions would be topped up and that civil servants salary adjustments would be looked into. Apparently seeking their support, he said that the salary review should be done every 10 years, "but because there is [non-stop politicking](#) going on, there was no opportunity to think about civil servants' issues. But now, there is a committee to review the salary and allowance scheme for civil servants".

Pending the review's conclusion, Anwar had announced an interim payment of RM2,000 (S\$570) for civil servants who qualify in his proposed 2024 Budget. Studies suggest that the majority of civil servants had voted for the Opposition Perikatan Nasional in the last election.

## **Pressures on Anwar**

Pressures on Prime Minister Anwar to reshuffle his cabinet gained steam in November 2023 on his first anniversary in office. The Crown prince of Johor, Tunku Ismail Sultan Ibrahim, had stated that Anwar did not have a good team. He is slated to become Regent of Johor once his father, Sultan Ibrahim Sultan Iskandar, ascends to the throne as King of Malaysia in January 2024. Sultan Ibrahim himself is expected to be a proactive monarch, vocal on the administration of the country.

Often heard was the view that to ensure a proper running of the finance ministry, Anwar should relinquish it to another minister or at least appoint an experienced second finance minister like UMNO vice president, Johari Abdul Ghani, to support him. Anwar had been reticent on the finance portfolio and sent mixed signals on the timing

for a reshuffle. He had also failed to fill the position of the minister of domestic trade and costs of living, left vacant since July.

As recently as 2 December, Malaysian national news agency, *Bernama*, quoted the deputy prime minister and new energy transition and public utilities minister, Fadillah Yusof (Gabungan Parti Sarawak or GPS), as saying that he was not involved in any discussion regarding a possible reshuffle. New second finance minister Amir, not being a politician, had to be sworn in as a senator in the morning, so that he would qualify to join the cabinet in the afternoon. New defence minister Khaled Nordin claimed to be surprised at his appointment. Digital minister Gobind Singh Deo admitted that the coverage of his portfolio was not yet entirely clear to him. The hapless communications minister who was charged with clearer government communications asked to be given some time to clarify his portfolio.

What appears to have not changed is the dynamic of the prime minister making surprising policy announcements, often leaving it to his staff to clear the air. This often leads not so much to criticisms of policies as to regrettable public confusion and lack of confidence in policy preparation and implementation.

### **Assessment of the Reshuffle**

Nevertheless, the reshuffle would allow Anwar to maintain his control over his own party and premiership, while retaining the support of key allies.

First, Anwar has retained all the ministers from his party, although his home affairs, education, and health ministers had come under criticism. Apart from finance, home and education are key portfolios for any prime minister to control. Only the health minister was moved to the prime minister's department to oversee federal territories. Anwar is signalling his prioritisation of loyalty. After all, ministers criticised for their policy decisions may simply be defending that of the prime minister.

Anwar also kept the economy minister Rafizi Ramli in place, away from the higher profile finance ministry. Rafizi is deputy president of Anwar's party, Parti Keadilan Rakyat, and a potential challenger to Anwar.

Amir's appointment to the finance ministry was universally welcomed. He is respected as the recent CEO of the Employees Provident Fund, previously leading Tenaga Nasional Bhd and businesses under PETRONAS, with experience in other GLCs and the multinational energy giant, Shell. He would bring helpful experience and attention to policymaking, oversight, and implementation. However, key decisions would undoubtedly continue to be made by Anwar.

Second, Anwar's major ally GPS, was apparently pleased with the portfolios given to Deputy Prime Minister Fadillah Yusof. Strategically important and also richly symbolic,

he is to lead on matters pertaining to Sabah and Sarawak, with the removal of the position of minister overseeing East Malaysia and special functions under the prime minister's department previously held by Armizan Mohd Ali (Gabungan Rakyat Sabah).

Fadillah also left the staid plantation and commodities ministry for the dynamic energy transition and public utilities ministry. Fadillah's portfolios represent key priorities of his party to negotiate for more devolution of powers to Sarawak, including policies on renewable energy trading. (Sarawak aims to provide up to one gigawatt of renewable energy to Singapore by 2032 via submarine cables, with negotiations said to be at an advanced stage.)

Anwar also kept faith with the embattled UMNO president Zahid Hamidi, who is viewed by many as a liability to his party and faces internal leadership challenges. The next most senior leader after Zahid is deputy president Mohamad Hasan, who was reassigned from defence to the foreign affairs ministry, widely seen as a demotion.

The previous foreign minister and UMNO supreme council member, Zambry Abdul Kadir, in turn replaced former higher education minister and UMNO vice president Khaled Nordin. Khaled, formerly Johor menteri besar appointed by Johor Sultan Ibrahim in 2013, rose to the defence ministry. Sultan Ibrahim subsequently posted his granting of an audience to the new defence minister on his Facebook.

Such shifts can be disruptive, particularly since all three UMNO ministers had not been said to be underperforming. But a welcome change was the entry of Johari Abdul Ghani, party vice president, corporate figure, and considered the most dynamic of the group. He was given plantation and commodities. While it is smaller than the finance ministry where Johari had been second minister under then PM Najib Razak and could have outshone Anwar and Zahid if returned there, he has nevertheless expressed enthusiasm for this appointment.

For DAP, it gained one minister's position along with UMNO, befitting DAP's position as the second largest party in parliament after the Islamist PAS. The new appointees are seen as people close to DAP Chairman Lim Guan Eng, reflecting Anwar's respect of power dynamics within each of his partner parties. (The marginalisation of UMNO's top leaders was a key reason for the collapse of previous administrations under prime ministers Muhyiddin Yassin and Ismail Sabri.)

While party and regional representation was respected, Anwar eschewed the traditional appointment of a Tamil-Hindu minister. DAP's V. Sivakumar was dropped without a replacement from either DAP or PKR. As Indian voters have been the most enthusiastic supporters of Anwar, he has been advised to soothe the ruffled feathers.

## Conclusion

Anwar has stated his hope not to have any more changes until the next general election. The hope is likely for him to avoid new pressures from key establishment players and constituents to make further changes.

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*Ariel Tan is Senior Fellow and Coordinator of Malaysia Programme at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore.*

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**S. Rajaratnam School of International Studies, NTU Singapore**  
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798  
T: +65 6790 6982 | E: [rsispublications@ntu.edu.sg](mailto:rsispublications@ntu.edu.sg) | W: [www.rsis.edu.sg](http://www.rsis.edu.sg)