

**SURVEY FINDINGS RELEASE APRIL 26 2018
EXPLANATORY NOTES AND COMMENTS**

The following remarks refer the accompanying survey analysis that was presented at the UKM – Merdeka Center talk at Nottingham University, KL Campus on 26th April 2018.

Guide to Reading the Survey Results

- These notes will make reference to specific themes highlighted in the accompanying presentation by including comments and further points of analysis
- The comments will refer to the specific slides contained in the presentation deck

The survey findings discussed in the presentation covers only findings from Peninsular Malaysia along with several selected states.

Topic and Findings	Slide Reference
<ul style="list-style-type: none"> • This survey findings release is based upon national surveys and state surveys recently conducted by Merdeka Center • We wish to note that the national survey was conducted between April 9th until April 19th 2018. • The national survey results was augmented by state-level survey information carried in various stages over March and April 2018 • The surveys utilizes random multi-stage sampling, all interviews were conducted via telephone among registered Malaysian voters. • Sampling was stratified along parliamentary constituency, ethnicity, age groups and gender of respondents to reflect the latest demographic profile of voters per the 4th Quarter 2017 electoral roll. 	<p>1</p> <p>2</p> <p>3</p>
<p>National Direction</p> <ul style="list-style-type: none"> • The survey found 54% of voters expressing the view that the country was “headed in the wrong direction” compared to 38% who believed it was heading in the “right direction” • It should be noted that while still negative, this sentiment is markedly improved compared to that expressed by voters in 2015 and 2016. • Additionally, the number of voters who expressed right direction had improved significantly when compared to mid 2015 after the introduction of the GST and the media reporting of the 1MDB scandal. • Seen across the past five years, the downtrend between 2nd half of 2013 and mid-2015 that could be seen in the “right vs wrong track” indicator was likely to due to three major developments: <ul style="list-style-type: none"> ○ Reduction of subsidies for items such as energy and some food items in the 2nd half of 2013; ○ Introduction of the GST in mid-1st half of 2015; and ○ The controversy surround 1MDB and related developments around mid-2015. • Sentiments began to improve after the BN’s victory in the 2016 Sarawak state elections; followed by the BN victory in the June 2016 byelections which saw 3-corner contests take place between Pakatan, BN and PAS for the first – that then resulted in a BN victory in two bellwether constituencies. Finally, feel good factor 	<p>5</p>

Topic and Findings	Slide Reference
<p>arising from the SEA Games, 2018 budget which promised material benefits for a large section of Malaysians, along with broader improvements in macro-economic indicators.</p> <p>Additional Comments</p> <ul style="list-style-type: none"> The “right vs wrong track” indicator encapsulates the electorate’s sentiments towards the government and the incumbent ruling party. This can be seen in how closely the data points correlate with indicators measuring positive regards towards the federal government and the Barisan Nasional ruling party. 	
<p>Issues and Concerns</p> <ul style="list-style-type: none"> Issues driving the positive sentiments in the National Direction indicator were continued visible developments in the country such as the MRT system, highways and continued economic growth, alongside continued peace and stability Issues driving negative sentiments clustered around two themes – economic pressures such as cost of living, jobs, wage growth etc, and concerns over governance such as problems with corruption, leadership weakness, lack of transparency, etc <p>Top of Mind Issues</p> <ul style="list-style-type: none"> In an open-ended question on what voters think is the number one problem affecting people, 67% expressed various concerns about the economy. Concerns over the economy has been the main concern since before the last general election. Such is the mindshare of this issue on the minds of people, other concerns appear to be minimized. <p>Broader Issues</p> <ul style="list-style-type: none"> On a fixed list of issues, voters chose the issue of inflation, corruption and jobs, to be their main concern Other topics such as 1MDB or Hudud, attract far smaller numbers 	<p>6</p> <p>7</p>
<p>Comment</p> <p>While the electorate grapples with the issues such as cost of living and jobs, these are mitigated by the fact that the broader economy continues to grow . In addition, the deeper fears about an economic slowdown that could bring about loss of employment or significant hardship has not materialized.</p> <p>While past surveys had detected dissatisfaction over the 1MDB scandal, alongside unpopular moves such as the introduction of the GST, the voters in general has “priced in” their reaction to these matters. And this can be seen in the reduction of voter support for the incumbent party discussed below.</p>	<p>8</p>
<p>Government and Party Ratings</p> <ul style="list-style-type: none"> Both indicators show that sentiments towards the government and ruling party appears to have improved compared to 2015 but not at levels previously enjoyed in 2013. Overall, government and party ratings track closely the national direction indicator (right vs wrong track). 	<p>10 & 11</p> <p>12</p>

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<ul style="list-style-type: none"> We wish to note this indicator reflects data collected in Peninsular Malaysia 	
<p>Stage Setting for GE14</p> <ul style="list-style-type: none"> The outcome of GE13 showed that BN experienced declining voter support. Within its base support of Malay voters, the GE13 results showed that the younger voters then (20 year old age group) gave the party only 50% of the votes . Faced with voter backlash arising from subsidy removals and introduction of GST. It appeared a certainty that the BN would face an uphill challenge in GE14 unless circumstances changed. BN's prospects was positively affected by the split in the then-Pakatan Rakyat which saw the departure of PAS. <p>Comment It should be noted that the idea for PAS to table a bill on the hudud was made on the at around the same period leading to the GST bill being approved in parliament.</p> <p>Refer:</p> <ol style="list-style-type: none"> http://www.utusan.com.my/berita/politik/pas-dap-berbalah-keputusan-abdul-hadi-bentang-hudud-1.78784 http://www.mstar.com.my/berita/berita-semasa/2014/04/07/dewan-rakyat-lulus-ruu-gst/ <p>Redelineation</p> <ul style="list-style-type: none"> Our analysis of the redelineation shows a decrease in mixed-ethnic seats and corresponding increase of ethnic dominant seats. In our view, the split within the Malay segment of the Opposition will likely prove to be a bigger determinant to the GE14 outcome compared to the redelineation exercise passed in March 2018. 	14
<p>Turnout</p> <ul style="list-style-type: none"> As at April 19th, the survey respondents indicate a slightly lower voting turnout intention at about 81% compared to 84% in 2013. This figure will be updated as we move closer to election day. 	15
<p>Malay Vote Swing</p> <ul style="list-style-type: none"> The national survey along with data from selected state showed a variegated swing of Malay voters. Nationally there appears to be a 7.9% decline in support for BN compared to May 2013 However, when closely examined across states, the decline was more prominent in Johore, Selangor and Perak, compared to Kedah. In the states of Kelantan and Terengganu, the swing was in favor of BN <p>Implications of the Malay Vote Swing</p> <ul style="list-style-type: none"> We wish to note that while an 8% vote decline is not enough to cause a BN defeat 	16
<p>Malay Vote Swing</p> <ul style="list-style-type: none"> The national survey along with data from selected state showed a variegated swing of Malay voters. Nationally there appears to be a 7.9% decline in support for BN compared to May 2013 However, when closely examined across states, the decline was more prominent in Johore, Selangor and Perak, compared to Kedah. In the states of Kelantan and Terengganu, the swing was in favor of BN <p>Implications of the Malay Vote Swing</p> <ul style="list-style-type: none"> We wish to note that while an 8% vote decline is not enough to cause a BN defeat 	18 & 19

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<p>as the Opposition’s share of the Malay votes is split between PAS and PH</p> <ul style="list-style-type: none"> • The Opposition’s chances are governed by their seat profiles (ethnic composition) and support from various segments of the electorate. <p>Note: We shall be updating this data prior to election day as well as add in new information from other state surveys that will be conducted</p>	
<p>The Electoral Terrain</p> <ul style="list-style-type: none"> • Each parties electoral performance will be determined by the conditions prevailing in the seats they contest. Of particular importance is the seat profiles along ethnicity. • Popular vote figures at state or national level is inadequate to give a view on whether a particular coalition would do well or other wise, this is due to the peculiar nature of the way seats are carved out in the Malaysian electoral system 	21
<p>Support Threshold</p> <ul style="list-style-type: none"> • We note that Chinese voter support levels for the contesting parties appear to be quite stable at about only 15% for BN and the remainder for PH. We do note that detailed analysis reveals some differences between urban and rural areas, states, and age groups. • Likewise for Indian voters, we note there had been a small shift in favor of BN compared to 2013, thus bringing support for BN around 41% nationally but with significant differences across different states. • Given the stable nature of non-Malay voter preferences, the critical factor is determining the outcome of the election rests largely on how Malay voters will choose between BN, PAS and PH. • We introduce the concept of “Support Threshold” to establish the minimum amount of Malay support that contesting parties need to achieve in order to attain their stated minimum goals, in this case, listed as: <ul style="list-style-type: none"> ○ BN: Improving the seat tally to at least 137 seats (95 from Peninsular and remainder from Sabah and Sarawak) ○ PAS: To become “kingmaker” and thus retain at least the same number of seats won in 2013, i.e. around 20 seats ○ PH: To win at least 100 seats in West Malaysia so that additional seats from East Malaysia will make up enough numbers to win federal government • Thus the information provided in each row in the table is exclusive to the party in question, contesting in the framework of a 3-corner competition. • Summary of analysis: <ul style="list-style-type: none"> ○ BN needs only 47.5% Malay votes on average, across W Msia to win the needed 95 seats so it can form government together with coalition partners in East Malaysia ○ PAS needs about 39.5% Malay votes on average, to win 20 seats. At present we estimate that there is a 12.5% shortfall in Malay support. ○ PH needs to attain at least 34% Malay votes but it currently is estimated to possess only 20%, thus a 14% shortfall. ○ We note that these are national averages, conditions and actual support 	22

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<p>levels in the constituencies vary greatly and are influenced by local dynamics and each party's strengths & weaknesses.</p> <ul style="list-style-type: none"> ○ 	
<p>Ethnic Profile of PH Component Party Seats</p> <ul style="list-style-type: none"> • PH parties contesting against BN and PAS are running in vastly different types of seats. • PPBM and Amanah will have to run in the seats that make a difference between winning and losing as they are contesting largely in UMNO and PAS incumbent seats. • Looking at the ethnic profiles of the Amanah and PPBM seats, most comprise more than 75% Malay voters. This implies both parties will need to secure a sizable proportion of the Malay vote share before they can attain victory. 	23
<p>Estimated Support</p> <ul style="list-style-type: none"> • Estimated vote share gained by the three main contestants were listed here. • We note that the responses of undecided and non-response voters have been adjusted based on our election model. We shall provide such data next week during our next release. 	24
<p>Example: Projected PPBM Performance in 52 seats</p> <ul style="list-style-type: none"> • Given the projected ethnic vote share, our analysis shows that PPBM will unlikely be able to make a strong gain nationally as its Malay support figures fall short of the required threshold. • However, PPBM retains potential for gains in Kedah, Kedah and Selangor where support among Malay voters for PH appeared to be sizable. • We expect to see changes during the campaign that could materially affect the performance in these states 	25
<p>Projections on State-level Electoral Outcomes</p> <p>Terengganu</p> <ul style="list-style-type: none"> • The surge of support for BN appears to have mitigated the splintering effect of PPBM. • While Pakatan appears to have taken a sizable share of support from PAS within Terengganu, it is not in a position to win in the state • This will likely lead to BN winning the state govt in Terengganu 	27
<p>Kelantan</p> <ul style="list-style-type: none"> • The sizable swing of support in favor of BN among Kelantanese voters appear to heighten the potential for it to wrest power in the state from PAS • As in Terengganu, the survey data shows Pakatan taking a small but fatal chunk of support away from PAS that will threaten PAS' hold on power; • Our analysis indicates that PAS may lose the state but still retain a sizable number of state seats • It is highly unlikely that Pakatan could win seats in Kelantan 	28
<p>Comments about PAS Performance</p>	

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<p>Kelantan</p> <ul style="list-style-type: none"> In our view, the projected adverse performance of PAS in Kelantan may be attributable to the lack a charismatic leader such as the late Chief Minister Tuan Guru Nik Abdul Aziz who could mitigate voter dissatisfaction over public services through his force of personality and persuasion. <p>General comments</p> <ul style="list-style-type: none"> In our view, PAS’ non-confrontational stance towards BN in recent years has blurred the differentiation which enabled it to champion issues that could then be used to mobilize political support The lack of differentiation would then encourage non-partisan voters to seek candidates or the political party that offers solutions to present public service delivery shortfalls, an area which the PAS state government is at a disadvantage The departure of dissidents to form Amanah caused a small but pivotal number of voters to switch allegiances away from PAS 	
<p>Johore</p> <ul style="list-style-type: none"> BN had experienced a significant decline in Malay support compared to 2013. By an order of nearly 20% However, the survey indicates that not all of the disgruntled Malay BN voters have thrown their lot with Pakatan, with some also turning to PAS At the time of the survey, BN remains able to prevail in Johore. 	29&30
<p>Kedah</p> <ul style="list-style-type: none"> At the time the survey was conducted in mid-March 2018 BN support among Malay voters in Kedah declined very marginally but the shift towards Pakatan came largely from disgruntled PAS supporters As a large Malay majority state (79%), the threshold to be attained by Pakatan is sizable if it intends to win over the state. At the time of the survey, BN will prevail in Kedah 	31&32
<p>Wrap Up and Comments on Factors driving Voter Preference</p> <ul style="list-style-type: none"> We note that the climate surrounding this general election and the projected outcomes are highly paradoxical. Many voters are dissatisfied with the incumbent ruling party but it will still prevail on election day In our view, the split in the Opposition has proven a boon for BN as the critical Malay votes could not be pooled in support of a single candidate contesting at each district The surveys also suggest that while the admission of Dr Mahathir into the Opposition, has brought in some support among Malay voters, it is still inadequate to breach the threshold required to attain victory This shortfall may be attributable to the following factors: <ul style="list-style-type: none"> Overreliance on economic and governance issues to mobilize voters, but did not adequately address more latent concerns among Malay voters Lack of prominent leaders in states with sizable number of seats such as Perak and Pahang that could swing additional support Inability to attract the conservative, Islamically oriented voters who 	34&35

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continue to hold PAS as a safe alternative to lodge a protest vote	