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Anwar-Perwaja

PERWAJA LOSSES NOT SOLELY DUE TO IRREGULARITIES

By: Wan A Hulaimi

LONDON, July 6 (Bernama) -- Foreign exchange losses and appreciation of the yen had contributed to Perwaja's insolvency although elements of irregularities were detected in the state-owned steel mill, Deputy Prime Minister Datuk Seri Anwar Ibrahim said today.

At a dialogue with Malaysian students here, Anwar, who is Finance Minister, said he wanted to clear the misconception that Perwaja's huge losses were all due to irregularities.

"Firstly, there were management actions that did not follow regulations. Secondly, losses resulted from several decisions made, including purchases and payments deemed irregular for not adhering to spending regulations, but what I wish to clarify is the general perception that the losses were wholly due to irregularities...this is not true," he said.

At a press conference for Malaysian journalists later, Anwar said what he disclosed in Parliament in connection with Perwaja's losses was based on an audit report by accounting firm Price Waterhouse.

Perwaja suffered losses exceeding RM2 billion due to mismanagement. The government has appointed Maju Holdings and Lion Group to lead efforts to turn it around.

"We do not want the general notion of blaming one person for the whole problem," he said.

The Perwaja issue cropped up at the dialogue when Anwar was asked if it was true that the losses were played down because one of those involved in Perwaja is close to Prime Minister Datuk Seri Dr Mahathir Mohamad.

At the dialogue, Anwar dismissed the notion that the Bakun hydroelectric dam project in Sarawak was not a national priority and was continued at the request of Dr Mahathir.

The proposal to build the Bakun dam was supported by the Cabinet and was not a decision made by Dr Mahathir only, and the project would benefit not only one contractor in Sarawak, he said.

"Bakun is actually a Malaysian project. This is not Dr Mahathir's project. The Cabinet supports it and the Economic Planning Unit supports it too," he said.

He said although Ekran Berhad, the project developer, had its own consultants, the government did not use their services and instead appointed an international company to offer independent advice.

In his address to the students, Anwar said they should strive for excellence rather than just studying for a degree.

Anwar arrived here on Wednesday for a three-day official visit at the invitation of the United Kingdom government.

He had met Prime Minister John Major, Deputy Prime Minister Michael Heseltine, Board of Trade Chairman Ian Laing and Defence Secretary Michael Portillo.

Anwar also met Bank of England Governor Eddie George and addressed a gathering of businessmen and leaders in the financial circle here. --

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