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Samy Vellu: I'm not involved in awarding tender to Ericsson

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PETALING JAYA, Fri. - Works Minister Datuk Seri S. Samy Vellu said tonight he was not involved in the alleged discrepancies in a tender awarded by Telekom Malaysia Berhad to Swedish multinational Ericsson believed to have taken place when he was the Energy, Telecommunications and Posts Minister.

He said under existing government procedures, Ministers had no say whatsoever in any tender process involving privatised entities of their respective ministries, irrespective of the size of contracts.

He said only the Finance Minister had the power to deal with such tenders.

"The tenders are not even referred to the respective Minister. They are sent directly by the company tender boards to the Finance Minister.

"The Finance Minister is the custodian, shareholder of the company and holder of the Golden share," Samy Vellu said at the Sultan Abdul Aziz Shah Airport in Subang on his return from a holiday in Perth.

Samy Vellu said he knew nothing about the contract awarded to Ericsson because Telekom Malaysia, being a rapidly growing company, was dealing with hundreds of tenders.

He was asked to comment on the statement by Deputy Prime Minister Datuk Seri Anwar Ibrahim on Wednesday that the Government ordered an investigation into alleged discrepancies in the award of a contract by Telekom Malaysia to Ericsson for the supply of equipment.

Anwar said the Government had received preliminary information of alleged discrepancies about two weeks ago.

He said he had briefed Prime Minister Datuk Seri Dr Mahathir Mohamad before he left for the United States on Sunday and in their discussions it was decided that if there was any abuse or mismanagement, punitive action would be taken.

Anwar also said he had received his information from reliable sources, adding that the information was too general and incomplete.

Although Press reports today referred to a 1992 contract worth RM414 million awarded to Perwira Ericsson to supply digital exchanges with the capacity for 800,000 lines to Telekom Malaysia, Samy Vellu has not been implicated.

However, he was then Energy, Telecommunications and Posts Minister.

"It is good that the Government has started investigating the matter," Samy Vellu said.

The deal was part of Telekom Malaysia's RM2.07 billion contract for telephone exchanges over five years.

Rather than awarding the contract to a single company, the Finance Ministry directed that it be divided equally among five companies, and Perwira Ericsson was one of them.

The other four were: KUB-Fujitsu Telecommunications, Sapura Holdings (which formed Sapura-Nokia Telecommunications), Alcatel (formed Alcatel Network Systems), and Perneq Corp (formerly Pernas-NEC Telecommunications).

Samy Vellu said he had no knowledge about the tender awarded to Ericsson by Telekom Malaysia.

He said all tenders had to be referred to the Finance Minister.

He added that even in the case of Public Works Department contracts, the Minister had no power to make decisions or get involved in any manner, until they were approved.

"Only after they are approved, the Minister will delegate the powers to the director-general of the Public Works Department to sign them on his behalf," he said.

Asked whether he was surprised that the matter came up, Samy Vellu said:

"I am normally not surprised with quarrels over tenders. When one party gets a tender, there is always another party which complains," he said.

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