

19/02/1997

Telekom, Ericsson probe still on, says Anwar

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KUALA LUMPUR, Tues. - Deputy Prime Minister Datuk Seri Anwar Ibrahim said today there were grounds for further investigation into the alleged discrepancies in the award of an equipment-supply contract by Telekom Malaysia Bhd to multinational firm Ericsson.

He said Telekom Malaysia and the contracts division in the Treasury had been directed to speed up their investigation, first ordered by him on Jan 15.

"The probe is not completed yet. I have been receiving updated reports on it, the last being last week," he told reporters after opening a conference "Over-The-Counter Markets" at Hotel Renaissance.

On whether a preliminary report submitted to him had revealed any wrongdoing, he said: "There is no proof yet but certainly there are grounds for us to probe further."

Asked to elaborate on this, he said there was some instances (of non-compliance) in terms of transparency and procedures that needed to be observed.

"Based on the report submitted, I think they will have to probe deeper."

On whether there had been any breach in the tender process, Anwar said: "It is certainly too premature for me to comment on it now because the investigation is not completed."

On when he expected it to be completed, he replied: "Soon".

The contract, awarded between 1992 and 1993, is believed to be related to Perwira Ericsson's successful bid in 1992 to supply digital exchanges with the capacity for 800,000 lines to Telekom Malaysia for RM414 million.

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

On speculation that he would be involved in a Cabinet reshuffle, Anwar said: "That has been around for days, weeks, months and years. So do not entertain rumours ... the matter is the sole prerogative of the Prime Minister."

Asked whether Datuk Seri Dr Mahathir Mohamad had hinted or informed him that he might be moved to another ministry, Anwar added: "I think the media is taking this up from time to time ... every other week it (speculation) will surface."

When it was pointed out that the market had been jittery lately, especially after a report last Saturday in the Chinese daily Sin Chew Jit Poh which speculated that he would leave the Finance portfolio for the Rural Development Ministry, Anwar said the market had been like that "from time to time".

Asked on the investigations into the log smuggling activities uncovered in Tawau recently, Anwar said it had yet to be completed.

On when he expected the probe to be over, especially in the light of his directive that the matter be given priority, he said: "The Anti-Corruption Agency, the police, the State committees including those from the Treasury, the Malaysia Timber Industry Board and the Primary Industries Ministry are tabulating the points and facts (gathered from their investigations)."

"I myself am quite impatient and want it to be completed, the sooner the better."

On whether the investigations by the various agencies had uncovered any "dereliction of duty and criminality" as claimed by the Sabah Government

in its report, Anwar said no conclusion could be drawn from a single report.

"The Sabah Government's report for instance has not taken into account the police findings. So, we have to look at a complete report."

Anwar had earlier directed the ACA to assist in the investigations which are being co-ordinated by a Federal-level committee headed by the Finance Ministry's deputy secretary-general Datuk Shahbuddin Imam Mohamed.

Apart from this, the Sabah Government had also set up a committee which submitted its report to Anwar and Dr Mahathir last month.

On investigation into Perwaja, Anwar said it would take longer than expected.

"As explained by the agency's (ACA) director-general yesterday, more time is needed as it (investigation) involves interviewing companies based in Hong Kong and Latin America," he said, adding that no time frame had been given for the agency to complete its probe.

The Utusan Malaysia today quoted ACA director-general Datuk Shafee Yahaya as saying that a thorough and detailed investigation was needed into the billions of ringgit in losses suffered by the steel company due to the involvement of Japanese companies and a few foreigners.

He said although the investigation would take a long time, he was confident the agency would be able to complete it.

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