

11/06/2002

Swiss to help probe Perwaja (HL)

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SWITZERLAND will help Malaysia access information on Perwaja Steel funds deposited in Swiss banks, Prime Minister Datuk Seri Dr Mahathir Mohamad said here yesterday.

"The funds were obtained illegally and criminally. The Swiss Government has assured us that they will not support the criminal use of their banking system.

"They have assured us that (this) will not be subject to their banking secrecy," he said at a joint Press conference after a luncheon meeting with Swiss President Kaspar Villiger at Manor Lohn here.

Dr Mahathir said this was among the bilateral issues discussed earlier.

Malaysian authorities investigating Perwaja Steel's RM10 billion in debts and losses believe that some RM76.4 million of the funds are in Swiss banks. The Perwaja probe, begun in 1996, had been hindered by Switzerland's highly secretive banking laws.

Swiss authorities had also declined to give evidence in court.

Villiger said that the Swiss banking system was able to help in such a "crisis" because their Government did not support acts such as corruption and money laundering.

"Our banking secrecy is not a problem in this," he said.

Asked if Switzerland would amend its banking laws, Villiger said such regulations had been in place for a very long time and it would not be easy for the Government to abandon them.

He said Swiss banking secrecy was an element in the protection of private and personal affairs.

"In order for us to abandon them, we have to put it to the people's vote. And as you know, in Switzerland, the people would rather change the Finance Minister than banking secrecy."

Villiger said, however, that banking secrecy was no longer a "moral" problem, citing Switzerland's swift response to calls to locate funds of known international terrorists.

Dr Mahathir said the two leaders also discussed globalisation, on which they differed very little, and terrorism, on which both agreed that Israel and Palestine should end the violence.

Malaysia will also be re-opening its embassy in Switzerland, closed since October 1993, in view of the growing political and economic relations between the two countries and the increasing number of Malaysians here.

Dr Mahathir said the issue of the International Telecommunications Union Council, for which both countries are vying for a seat, was discussed.

The fate of Swiss activist Bruno Manser, believed to have died in the Sarawak jungle, was also brought up. Villiger expressed gratitude to Malaysia for returning Manser's belongings to his family.

Manser was known for his campaign on behalf of the Penans in Sarawak.

Dr Mahathir made it clear that Manser had entered the country without the knowledge of Malaysian authorities, but he assured that Malaysia would try to determine what had happened to him.

Accompanying Dr Mahathir were International Trade and Industry Minister Datuk Seri Rafidah Aziz, Bank Negara Governor Tan Sri Dr Zeti Akhtar Aziz and senior government officials including Anti-Corruption Agency deputy director-general Datuk Zawawi Nordin.

Dr Mahathir later returned to Zurich, some 130km from here, by fast-

speed train. The entourage leaves today for Geneva, where Dr Mahathir will address the 90th session of the International Labour Conference.

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