

**Defence Ministry: No hanky-panky in arms purchases**  
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The Defence Ministry has denied any wrongdoing in major deals to purchase Russian Sukhoi fighter jets and European Scorpene submarines.

Former deputy prime minister Anwar Ibrahim has alleged the payment of hefty commissions for brokering the deals, including to prominent political analyst Abdul Razak Baginda, whose ties reach as high as deputy premier Najib Abdul Razak.

Abdul Razak is currently in jail, charged with abetting in the high-profile murder of a Mongolian woman last year, with a trial due to start in June.

The ministry said it had paid no commissions for the purchase of the Scorpene submarines, and also defended the purchase of Sukhoi 30-MKM fighter jets through a Malaysian company.

"There is a lot of speculation and we want to stop the speculation once and for all. It's been going on for quite a while," said defence ministry spokeswoman Fadzlette Merican.

Malaysia is expected to take delivery of two Scorpene submarines next year, and a first batch of six of 18 Sukhois next month.

In a statement issued late yesterday, the ministry rejected claims that it paid a RM540 million commission to Abdul Razak.

"With regards to the procurement of the Scorpene submarines, the Defence Ministry wishes to assert that allegations that the government paid commission as much as 540 million ringgit to Abdul Razak Baginda are totally baseless," it said.

The ministry also said it had negotiated directly with Scorpene manufacturers, France-based Armaris and Spain's Navantia, and had not paid any commission to a Malaysian firm called Perimekar.

However, Perimekar has a six-year contract worth 114.96 million euros (156.4 million dollars) to provide support services for the submarines, due to arrive next year, the ministry said.

It said Perimekar was jointly owned by the Armed Forces Pension Fund, Malaysian-listed Boustead Holdings and private Malaysian firm KS Ombak Laut.

### **Unnamed local agent**

But the clarification by the ministry raises more questions than answers.

Opposition groups, who have highlighted the claims amid fierce campaigning against the ruling Barisan Nasional coalition in a crucial weekend by-election, have alleged Ombak Laut is linked to Abdul Razak.

The ministry also defended the purchase of Sukhoi jets in a deal which involved an unnamed Malaysian company, saying that Russia's state-owned Rosboronexport had wanted to make the deal with the aid of a local firm.

"Rosboronexport had appointed a local firm to facilitate their dealings in this country," the ministry said.

Anwar has alleged former cabinet minister Mohamad Adib Adam received a RM370 million commission for brokering the deal.

It said all the negotiations were carried out according to government procurement guidelines.

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