

Mindef: Eurocopter deal cost RM1.542 bil
Malaysiakini.com
May 19, 2010

The Defence Ministry has revealed that its controversial procurement of 12 Eurocopter Cougar EC 725 helicopters in March was at a cost of RM1.542 billion (€326,657,857).

NONETHis was stated in a parliamentary written reply by Defence Minister Zahid Hamidi (left) to Batu MP Tian Chua, who today distributed copies of the response to the press.

The Defence Ministry's decision to procure the 12 helicopters came under intense opposition scrutiny in 2008 after an unsuccessful bidder for deal claimed that the government was grossly overpaying Eurocopter.

The opposition based their allegations on two letters by Mentari Services Sdn Bhd chairperson Capt (rtd) Zahar Hashim to then deputy premier Najib Abdul Razak, who is now prime minister.

Zahar alleged then that the Defence Ministry was about to pay RM2.3 billion for the 12 Eurocopter aircrafts when there were lower bids by other companies.

The government denied this and argued that the cost was far lower, at RM1.679 billion.

The discrepancy led to a probe by the Public Accounts Committee (PAC) which led to the deal being all clear, but eventually the deal was shelved due to the economic crisis then.

According to Zahid's written reply, the deal was finally sealed through a letter of acceptance on March 8 this year.

No transparency

When contacted, Chua said there should be greater transparency when it comes to military procurement in line with international practices.

helicopter military eurocopter cougar ec 725 troop transporterFor example, he cites a discrepancy of RM137 million between the prices quoted by the government in 2008 and now.

"In this country, we don't have a procurement committee to look into purchase of military equipment. We are just buying without having Parliament input on what type of defence we need to build up.

"This is quite odd compared to other countries. Many countries have discussion at legislature level. This is not the case in Malaysia. As a result we see there is a tendency towards abuse in tenders, with a lot being sought in commissions," he said.

Chua said this was not unique to Malaysia, pointing to the case of French warship builder DCN, which is embroiled in several controversies over kickbacks in deals with several companies.

A case on DCN's sale of two Scorpene submarines to Malaysia is also being probed. To him, this was another reason why legislature must monitor defence spending.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.
Source : <http://www.malaysiakini.com/news/132229>