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'I was only briefed months after cabinet tabling'

PUTRAJAYA: Tun Dr Mahathir Mohamad yesterday claimed that he was only briefed in detail about Bank Negara Malaysia's (BNM) foreign exchange (forex) losses months after the matter was tabled to the cabinet in 1993.

In doing so, he was in agreement with the testimonies of former finance minister Datuk Seri Anwar Ibrahim and former ministry secretary-general Tan Sri Clifford Herbert during the Royal Commission of Inquiry (RCI) into BNM's forex losses.

Anwar and Herbert had said Dr Mahathir, who was then prime minister, was briefed after Anwar tabled a report on the losses to

the cabinet in April 1993.

"With regard to the testimonies of Witness 14 (Herbert) and Witness 21 (Anwar), which stated that they briefed me about the losses, this is true, but they only briefed me of the losses months after Witness 21 tabled the losses to the cabinet," Dr Mahathir said during his testimony.

He said he was only informed of losses amounting to some RM5.7 billion in 1993, but had no recollection of the alleged losses of RM31 billion, as claimed by former BNM assistant governor Datuk Abdul Murad Khalid.

He then addressed Herbert's testimony, which stated that Dr

NST- 19/9/2017 pg. 3
Mahathir had said "sometimes, we make profits and sometimes, we make losses" when briefed on the losses.

"I do not remember exactly what I said, but I might have said that or I might have said 'sometimes we win, sometimes, we lose'. I only said this because (former BNM governor Tan Sri Jaffar Hussein) had already told me of BNM's forex trading, which had, in the late 1980s, made profits and supplemented the central bank's reserves."

He then defended his decision to appoint Tan Sri Nor Mohamed Yakcop as economic adviser to the government despite allegations that Nor Mohamed was one of the

major players behind the 1990s forex scandal.

"The economy was in a challenging position and I needed someone with the know-how to help us weather through it. Nor Mohamed was that person."

Nor Mohamed resigned from BNM in 1994, but returned in 1998 and served until April 2000. He was then appointed economic adviser to the government from May 2000 to December 2003.

Nor Mohamed is also credited with advising Dr Mahathir to peg the ringgit at RM3.80 to the US dollar during the 1998 Asian financial crisis to prevent further speculation on it.