ANWAR FILES STATEMENT OF DEFENCE

On why defamation suit against him should be dropped, he cites cronyism and family ties in Dr M's decisions

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Tun Dr Mahathir Mohamad alleged that Prime Minister Datuk Seri Anwar Ibrahim has defamed him by accusing him of being racist and enriching himself and his family members during his 22-year tenure as prime minister. FILE PIC

DATUK Seri Anwar Ibrahim has cited several decisions made by Tun Dr Mahathir Mohamad to justify why the RM150 million defamation suit against him by the latter should be thrown out.

The prime minister listed examples of decisions made by Dr Mahathir during his 22-year tenure as prime minister for the first time from 1981 to 2003, and again from 2018 to 2020, which protected business personalities closely linked to him.

Anwar said Dr Mahathir had made decisions which encouraged the practice of cronyism in the country, especially during his first tenure as prime minister and finance minister.

He said there were reasonable grounds to believe that Dr Mahathir had used his position to procure financial benefit and enrich his family members and cronies.

BAILING OUT HIS OWN SON

In his statement of defence against the lawsuit, Anwar said there were reasonable grounds to believe Dr Mahathir had directed for national wealth, assets and taxpayers' monies to be used for the purpose of benefitting the latter's family members and cronies.

He said Dr Mahathir had used the Bumiputera agenda to enrich his own family members and cronies, which led to a negative impact and downturn on the nation's economy and finances.

Anwar referred to the bailing out of Konsortium Perkapalan Bhd (KPB) by Petronas and Malaysia International Shipping Corporation (MISC) in 1997, despite a government decision then that it would not rescue or bailout troubled or struggling Malaysian companies.

KPB (now known as Pos Logistics Bhd) was one of the local companies affected by the 1997 Asian Financial Crisis and is owned by Dr Mahathir's son, Mirzan.

Then-finance minister, Anwar said KPB's principal activity at that time was the provision of shipping and container haulage services, and the company had net liabilities of almost RM424 million then.

Anwar said KPB approached him for financial assistance, but the requested was rejected.

However, he said Dr Mahathir then directed him to devise a special scheme for the purpose of disbursing approximately RM2 billion from the Treasury to assist KPB.

Anwar said he had urged Dr Mahathir to reconsider the scheme as it would be difficult to rationalise and justify the utilisation of Treasury funds for KPB.

He said Dr Mahathir became upset when he was told that a supplementary budget would have to be presented in Parliament for approval if he wished to proceed with the bailout plan.

Dr Mahathir, he said, highlighted that Mirzan and himself would be embarrassed if the matter was presented to Parliament for debate.

PETRONAS SWOOPS IN

Subsequent to that, Anwar said he was later informed by the former Petronas president and chief executive officer that Dr Mahathir had directed the company to bail out KPB.

Anwar said he voiced his objection to Dr Mahathir. However, the latter ignored him by saying that Petronas was not under the control of the Treasury.

The prime minister also cited the awarding of a Telekom Malaysia Bhd contract worth RM214 million to Opcom Cables Sdn Bhd, a company with Dr Mahathir's sons and daughter-in-law as directors.

He said the Rakan Unifi contract was awarded to Opcom Cables four days after Dr Mahathir was sworn in as the seventh prime minister after the 14th General Election on May 10, 2018.

He said the contract was awarded even before the formation of a new cabinet and Without its approval.

He also highlighted Tan Sri Mokhzani Mahathir's establishment of Kencana Capital Sdn Bhd and its subsequent major fabrication licence from Petronas, despite being newly incorporated.

'DO WHATEVER YOU PLEASE'

Justifying his allegation of cronyism, Anwar cited the case of Perwaja Steel, which suffered massive losses in 1995.

He said despite being instructed to carry out proper tender and establish financial committees to oversee its operations, then Perwaja Group managing director Tan Sri Eric Chia had informed him that Dr Mahathir had given him approval to do as he pleased.

He said based on the management accounts as at Dec 31, 1995, the group had net liabilities of RM926 million, long-term liabilities of RM6 billion and deficit in shareholders' funds of close to RM1.9 billion.

The Finance Ministry's financial exposure in the group was more than RM5 billion, which included RM2.07 billion in cash outlay and RM3.18 billion in loans guaranteed by the ministry.

SPEAKING OUT IN PARLIAMENT

Anwar said he tabled a motion in Parliament in December 1996 to approve the injection of RM2 billion for Perwaja Group and for the management of the company to be supervised.

However, he said Dr Mahathir questioned him on the necessity of tabling the motion after it received extensive media coverage.

Anwar said Dr Mahathir had given Chia a free hand to run the Perwaja Group, which resulted in the group becoming insolvent and burdening the Finance Ministry with liabilities of close to RM6 billion at that time.

The statement of defence was filed by Anwar in relation to the RM150 million defamation suit filed by Dr Mahathir against him.

Dr Mahathir alleged that Anwar had defamed him by accusing him of being racist and enriching himself and his family members during his 22-year tenure as prime minister.

He claimed Anwar made the impugned statement in his speech during PKR's special national congress held at the Melawati Stadium in Shah Alam on March 18.

During the special congress, Anwar had referred to someone "who in the past had been in power for 22 years and an additional 22 months" as taking advantage of his position to enrich himself and his family.

Anwar, who did not specify any name during the speech, had also said this person had complained about the Malays losing everything when he was no longer in power.

Dr Mahathir said he has never been accused or convicted of any wrongdoing involving power abuse or misuse of funds either during or after serving as prime minister.