

28 JUL 1987

Singapore Government

**PRESS RELEASE**

Information Division, Ministry of Communications &amp; Information, City Hall, Singapore 0617 • Tel. 3307269 / 3307270 / 3307271

M/D

87 - M 00 - 1

Release No.: 38/JUL05-0/87/07/16SWEDISH EXPORTS OF DEFENCE MATERIALS TO SINGAPORE

A question was tabled at the sitting of Parliament on 31 October '85 by the MP for Serangoon Gardens in respect of a Swedish ban on arms export to Singapore. Based on facts then known to MINDEF, the Minister for Defence answered that MINDEF was satisfied no person or entity within its jurisdiction had breached any Singapore laws or policies in this matter. This was reiterated in a press statement by MINDEF on 3 April '87, after the Swedish Government announced on 1 April '87 that it again would no longer consider any matters concerning export of defence materials to Singapore.

Since then, consultations between the Swedish and Singapore Governments have uncovered new facts. The Swedish Government sought clarification on the status of an End-User Certificate No 0722, purportedly issued by MINDEF. Comparison of the copy of the End-User Certificate No 0722 provided by Sweden with the MINDEF file copy revealed discrepancies in the quantities and types of ammunition specified. MINDEF suspected corruption and forgery by an employee of the Allied Ordnance Company of Singapore Private Limited (AOS). On 14 April '87, it informed the Corrupt Practices Investigation Bureau (CPIB), which proceeded to investigate the case. Two senior officials from the Swedish Ministry of Foreign Affairs visited Singapore from 18 to 22 May '87 for further consultations.

During their investigations, CPIB officers visited Sweden to interview officials in the Swedish Government, the Swedish Police, Nobel Industrier and A B Bofors. These persons have promised the CPIB to be prosecution witnesses in Singapore should the need arise. The Bureau's investigation disclosed prima facie facts to prosecute Mr Tan Kok Cheng, General Manager of AOS for the following charges:

38 charges under Section 6(a) of the Prevention of Corruption Act, for corruptly accepting from A B Bofors gratification totalling about S\$2.5m in Switzerland.

1 charge under Section 6(a) of the Prevention of Corruption Act for corruptly agreeing to accept about S\$1.8m for helping A B Bofors to set up a proposed RBS-70 manufacturing plant in Singapore.

11 charges under Section 466 of the Penal Code relating to forgery of the End-User Certificate No 0722 and 10 other End-User Certificates.

1 charge under Section 182 of the Penal Code for misleading a MINDEF officer into signing the End-User Certificate No 0722.

As these charges are pending before the Subordinate Court, it is not appropriate to give any further details on them.

MINDEF understands from the CPIB that to date they have not uncovered any other evidence against any other person. If any other wrongdoing is subsequently found, the culprits will be expeditiously brought to justice.

The charges against Mr Tan Kok Cheng are not related to the Swedish Government's investigations into the sale of Bofors RBS 70 missiles to certain Middle East countries. No Singapore laws were contravened in respect of these sales, as was stated by the Minister for Defence in his reply to the MP for Serangoon Gardens in October 1985. The Swedish Government is satisfied that the Singapore Government is not at fault in these sales, and the RBS-70 missiles purchased by MINDEF from Bofors are accounted for. MINDEF understands that the Swedish Police is investigating certain Bofors employees for sale of RBS-70 missiles to Bahrain and Dubai.

Singapore has been responsive to the requests for clarifications by the Swedish authorities. It is making available to the Swedish authorities evidence it has uncovered, to help their investigations and prosecution of wrong-doers in Sweden. Nevertheless, it is necessary to reiterate that it remains MINDEF's standing policy, for reasons of security, political sensitivity and undertakings given to countries, neither to confirm nor identify the countries which buy arms from or through Singapore, or to comment on arms purchases and sales by MINDEF and the defence industries.

MINISTRY OF DEFENCE

16 JULY 1987