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PORT KLANG, March 12 (Bernama) -- The government will privatise its entire equity holding in the Johor-based Malaysia Shipyard and Engineering (MSE) to a consortium of maritime service companies, the Prime Minister announced today.

Datuk Seri Dr Mahathir Mohamad said the Malaysian International Shipping Corporation (MISC) would hold the largest stake in MSE which would be restructured.

+I am confident MSE's new management would spur it to greater achievement in the interest of the country, + he said when launching the maiden voyage of the MISC-owned palm-oil bulk carrier +Bunga Siantan+ at North Port here.

The Prime Minister simultaneously launched a container service by MISC Haulage Services Sdn Bhd.

Datuk Seri Dr Mahathir hoped MSE's new management would concentrate more on providing and improving repair and bunkering services to the shipping industry.-- more

♥12/03/13-58MST

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Speaking to reporters later, the Prime Minister said the percentage breakdown of MISC's equity and that of the other shareholders in MSE would be announced later.

MISC chairman Raja Tan Sri Muhammad Alias Raja Muhammad Ali said the size of the corporation's equity in MSE has not been finalised yet.

He was given to understand that it would be between 40 and 42 per cent.

+We are talking about 40 to 42 per cent,+ he told reporters but did not elaborate.

+The company has to wait for approval from the Finance Ministry before it can announce something concrete,+ he said.

Raja Tan Sri Muhammad Alias said negotiations on the matter including the purchase value were ongoing and expected to be finalised before year end. -- more

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By having interests in MSE, the corporation would be in a better position to expand MSE especially its engineering operations, said Raja Tan Sri Muhammad Alias.

Asked on a possible restructuring of the MSE, he said: +I believe the existing management is a good one.+

+MISC regards its involvement in MSE as a commercial venture. Being in MSE we hope to cut ship-repair costs and the same time earn more profits,+ he said.-- Bernama

♥12/03/14-14MST