

# Govt to sell its MSE equity to consortium

By T. Selva

PORT KLANG, Tues. — The Government will sell its equity in Malaysia Shipyard and Engineering Sdn Bhd (MSE) to a consortium of companies, Prime Minister Datuk Seri Dr Mahathir Mohamed said today.

He said Malaysian International Shipping Corporation Bhd (MISC) would hold a major stake in MSE after restructuring.

"I am confident the new management will be successful in operating the dockyard and ship overhauling operations," he said at the commissioning

of MISC vessel *mv Bunga Siantan* and launching of MISC Haulage Services Sdn Bhd at the North Port here.

Dr Mahathir later told reporters that details of the equity restructuring and the number of companies involved in the takeover of MSE would be announced later.

It is understood that MISC was expected to hold about 40 per cent equity in MSE.

On the delay in the privatisation of the remaining operations of the Klang Port Authority, Dr Mahathir said the Government was in the process of "settling some problems."

He said one of them was the sale price of the port facilities to the private company, Klang Port Management.

On Feb 10, *The Star* reported that the port authority had asked for \$200 million for the machinery and facilities but the com-

pany offered half the amount.

The remaining portions of the port were originally scheduled to be privatised this month but it has now been tentatively fixed for May.

On the request by the groups representing the 4,300 port workers for a one-month "goodwill bonus" before joining the private company, Dr Mahathir said: "They can request. But if they want to threaten, it will be difficult."

He added that once the port had been privatised, the company would be able to earn more and share its profits with its employees.

In his speech, Dr Ma-

hathir said the Government would issue more container haulier licences if the services provided by the four existing companies were unsatisfactory.

He said the Government would continue to monitor the performance of the companies as there was a need to see an efficient container transportation system.

The hauliers are Kontena Nasional, Shapadu Kontena, Konsortium Perkapalan and MISC.

Dr Mahathir said: "Although the three hauliers (before MISC operated the service) have improved their facilities, there is evidence that they have difficulty ful-

filling all requests."

In view of the problems faced by the present hauliers, the Government decided to get MISC involved in container handling, he said.

He hoped that MISC's venture would help meet the demand in container transportation.

Dr Mahathir said the Government had introduced several incentives for the shipping industry to ensure that its development was balanced and organised.

He said that if the industry's development was not in line with the country's commercial needs, there would be an increase in requests for foreign shipping lines.