

Government to sell MSE stake

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PORT KLANG, Tues. — The Government will sell its entire equity in Malaysian Shipyard Engineering Sdn Bhd to a consortium of shipping companies, Datuk Seri Dr Mahathir Mohamad said today.

Following the sale, the Malaysian International Shipping Corporation Berhad will be the largest shareholder in the MSE which is to be restructured, the Prime Minister said.

"I am pleased to announce that the Government has made a decision on the matter," Dr Mahathir said at the

ceremony to mark the maiden call of *Bunga Siantan*, the MISC's latest vessel at the port here.

Dr Mahathir said he was confident that the new management group of MSE would successfully lead the shipyard to more success in the interest of the nation.

He hoped that the new management could give MSE, which is based in Johor Baru, more attention in terms of shipbuilding and repair services.

The ceremony also coincided with the launching of

MISC Haulage Services Sdn Bhd.

Dr Mahathir said there was a slight delay in the privatisation of the remaining services of Port Klang. "There are some minor

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problems which are being sorted out now."

MISC chairman Raja Tan Sri Muhammad Alias Raja Muhammad Ali later told reporters that the MISC might purchase between 40 and 42 per cent of the MSE shares.

But the deal has yet to be finalised. He said MISC was seeking approval from the Finance Ministry to purchase the shares.

Raja Tan Sri Muhammad Alias said negotiations on the matter including the purchase value are going on and are expected to be finalised before the year ends.

He added that the MISC would be in a better position to help expand the MSE's services, especially in its engineering operations.

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. Furthermore, our involvement in the MSE could help reduce ship-repair costs and the same time earn more profits," he said.

The Government was last reported to own 78 per cent of MSE shares through the Ministry of Finance Inc. Other shareholders are Sumitomo Heavy Industries (10 per cent), Kuok Brothers (seven per cent) and International Maritime Carriers of Hong Kong (five per cent).