

05/08/1997

Dr M: We've aborted rescue plans for Fokker

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LANGKAWI, Mon. - Malaysia has aborted rescue plans for the multi-billion-dollar Dutch aircraft maker NV Fokker, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"As far as we are concerned, the matter is now closed," Dr Mahathir told reporters after opening the Langkawi Oshkosh East Fly-in convention and exhibition near the Mahsuri International Exhibition Centre at Padang Matsirat.

Organised by Le Proton Lima Sdn Bhd, the event, the first of its kind in Asia, has attracted light aircraft manufacturers, exhibitors and flying clubs.

Dr Mahathir said Khazanah Nasional Berhad, the Federal Government's investment arm, was unable to carry out a feasibility study on the rescue exercise.

"It (Khazanah) was not allowed due intelligence," the Prime Minister said.

Asked whether this included the refusal to allow Khazanah to inspect their accounts, Dr Mahathir said: "I suppose so ... that's what I was told."

On Feb 20, Dr Mahathir had said that Malaysia would only participate in the rescue mission if it was viable.

Through Khazanah, the Government had sought to conduct a study on Fokker's financial position before proceeding with further negotiations.

It involved inspecting its books as well as looking at its business plans for the next 15 to 20 years to determine whether it would be viable to revive the company.

However, a team made up of Government officials who went to Amsterdam to conduct a study on the company's accounts was turned away.

Fokker's financial problems peaked in March last year when the company filed for bankruptcy following the withdrawal of its majority shareholder Daimler-Benz AG of Germany.

A consortium led by the Samsung Group of South Korea later aborted plans to rescue the company, putting the heavily indebted Fokker into a corporate graveyard.

Fokker was kept alive on a skeleton staff of 650 by court-appointed receivers in the hope of finding a buyer.

The company had produced the 100-seater F-100 and the 70-seater F-70 aircraft before going bankrupt.

In his speech earlier, Dr Mahathir said the Government had not given up hope of acquiring aircraft construction and design technology despite the aborted attempt to rescue Fokker.

"We have not given up hope. We will still look at acquiring aircraft technology... construction and design, etc," he said.

Dr Mahathir expressed confidence that Malaysia would be able to produce decent passenger aircraft in future.

"But before that, we will be producing (more) components for big and small aircraft, which is already being done in Malaysia," he said.

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