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PM: Malaysia negotiating rescue plan for Fokker

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KUALA LUMPUR, Wed. - Prime Minister Datuk Seri Dr Mahathir Mohamad tonight confirmed a news report that Malaysia is negotiating a rescue plan for the multi-billion dollar Dutch aircraft maker NV Fokker.

Dr Mahathir said the negotiations which started before Hari Raya was ongoing but the decision on whether to participate in the rescue plan had not been made.

Without giving details, he said Malaysia would only participate in the plan if it was viable.

Dr Mahathir, who was speaking to reporters after attending the Hari Raya open house of Chief Secretary to the Government Datuk Abdul Halim Ali, was asked to comment on a news report yesterday which said that Malaysia was studying a proposal on the possible rescue of Fokker with a group of international partners.

The report quoting a government official said if Malaysia was to participate in the rescue plan, it would be through Khazanah Holdings Bhd, the Government's investment arm.

Deputy Prime Minister Datuk Seri Anwar Ibrahim speaking at a function in Serdang tonight confirmed that Khazanah was negotiating to rescue the company, founded in 1919 by Dutch aviation pioneer Anthony Fokker.

Dr Mahathir, when asked whether a deadline was given to the Malaysian Government to give an answer, said: "Not really a deadline. We have a limited time to study (the rescue package)."

On whether the cost of the rescue plan had been decided, Dr Mahathir said: "No, there is no decision."

Anwar, commenting on the report, said: "We are just looking at the proposal and we are negotiating. There is no firm commitment."

However, he said, the newspaper report was "not entirely" true.

"We are in the process of negotiating," he told reporters after attending a Kongsu Raya dinner at the Mines Wonderland in Serdang.

Troubles at Fokker, one of the oldest names in the aircraft industry, came to a head last March when the company filed for bankruptcy after former majority shareholder Daimler-Benz AG of Germany pulled out of the company.

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-seat F-100 and the 70-seat F-70 aircraft before going bankrupt.

However, news reports in recent weeks stated that a fresh rescue plan was being hammered out by a group led by Andre Deleye, chairman of Dutch industrial company Begemann Groep NV, together with some Asian partners.

Fokker seemed destined for the corporate graveyard when a consortium which was led by South Korea's Samsung Group aborted plans to rescue the company.

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