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Petronas buys MISC stake (HL)

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KUALA LUMPUR, Sun. - Petronas has acquired a 29.3 per cent stake in Malaysian International Shipping Corporation Bhd in a move that will boost the national shipping company's efforts towards becoming a global liner.

In a statement issued on Saturday, Petronas said it has acquired about 293.52 million shares representing 29.3 per cent interest in MISC from Kumpulan Wang Amanah Pencen.

The statement, however, did not disclose the price paid for the shares.

But assuming the acquisition was made based on MISC's closing share price of RM6.90 on Friday - which jumped 60 sen from the previous day - Petronas would be paying around RM2.03 billion for the shares.

Without saying how it would pay for the shares, Petronas said the acquisition was expected to provide mutual benefits to both the group and MISC.

The statement said: "We wish to work closely with the board and management of MISC to position MISC to meet the Government's call and challenges that lie ahead in the shipping industry."

MISC is involved in the transportation of liquefied natural gas, liner, dry bulk and tanker shipping activities as well as in land-based haulage logistics business.

And the national oil corporation is a major user of sea-based transportation services in its shipment of LNG, petroleum and petroleum-based products.

Petronas, through its wholly-owned subsidiary, Petronas Tankers Sdn Bhd, is also the owner and operator of LNG tankers.

The group said currently, MISC's LNG tankers were on charter to its subsidiary, Malaysia LNG Sdn Bhd, to transport LNG to customers in Japan.

In the same statement, Petronas also pledged to collaborate with the Konsortium Perkapalan Bhd group - which had previously announced it was negotiating to acquire the stake owned by Kumpulan Wang Amanah Pencen.

The Konsortium Perkapalan group, made up of Konsortium Perkapalan Bhd and Diperdana Bhd (through PNSL Holdings Bhd) and headed by Mirzan Mahathir, is the country's second largest shipping and haulage group after MISC.

Petronas acknowledged that the Konsortium Perkapalan group had earlier announced its intention "to work with MISC to rationalise the sea and land-based logistics business in Malaysia for the betterment of the industry".

"Towards this end, it is Petronas' intention to propose to MISC to collaborate with the Konsortium Perkapalan Group for mutual benefits and for the betterment of the sea and land-based logistics in Malaysia.

"The Government calls for Malaysian exporters and importers to use the services of Malaysian shipping companies and Malaysian ports for the transshipment of finished products and raw materials in efforts to reduce the country's dependency on foreign services," it added.

Petronas said: "At the same time, current trends in the international shipping scene which has seen mergers/proposed mergers between several large international shipping companies would also pose a challenge to Malaysian shipping companies."

It is not clear the acquisition by Petronas puts to rest the Konsortium Perkapalan group's efforts as it is still believed to be keen to have a stake in MISC.

Konsortium Perkapalan group executive vice-chairman Loo Hooi Keat had said last week that his company was negotiating with Kumpulan Wang Amanah Pencen, the major shareholders of MISC, to acquire the 29.3 per cent stake by next month.

In dismissing that Konsortium Perkapalan and MISC's major shareholders would face "structural problems" after the acquisition, he was reported as saying that the final outcome should not burden the parties involved.

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