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PETRONAS BUYS 29 PCT EQUITY INTEREST IN MISC

KUALA LUMPUR, Aug 23 (Bernama) -- Petroliam Nasional Bhd (Petronas) has acquired a 29.3 percent equity interest in Malaysian International Shipping Corporation Bhd (MISC) and pledged to collaborate with the Konsortium Perkapalan Group which had negotiated to acquire the stake previously owned by Kumpulan Wang Amanah Pencen.

Petronas in its announcement today, however, did not state the price it paid for the 293.524 million shares it bought in the country's largest shipping company.

MISC shares at the Kuala Lumpur Stock Exchange (KLSE) jumped 60 sen on Friday to RM6.90, amidst downtrend market. Taking the last closing price of RM6.90 would value the block of shares bought by Petronas at RM2.025 billion.

Konsortium Perkapalan Bhd, which had negotiated to buy the shares in MISC, lost 30 sen to RM10.30 while its group member, Diperdana Bhd was unchanged at RM17.50. Konsortium Perkapalan and Diperdana (through PNSL Holdings Bhd) make up the Konsortium group, headed by Mirzan Mahathir, which is the country's second largest shipping and haulage group after MISC.

Petronas in its statement acknowledged that the Konsortium 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."

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

It said Petronas also intended 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.

The government's call was 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 the effort to reduce the country's dependency on foreign services.

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."

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

The national petroleum corporation, meanwhile, is a major user of sea based transportation services in its shipment of LNG, petroleum and petroleum based products.

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

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

It said the acquisition of the substantial stake in MISC is expected to provide mutual benefits to both Petronas and MISC.

Meanwhile, the acquisition of the MISC stake by Petronas raises questions as to whether the Konsortium group would still be interested to

have a stake in MISC as Konsortium Perkapalan group executive vice chairman Loo Hooi Keat said last week that his company's negotiation with the major shareholders of MISC for the proposed acquisition of 29.35 percent stake would be completed next month.

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

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