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Analyst: Good for Malaysia to acquire stake in NV Fokker

Kamarul Yunus

SEVERAL analysts regard Malaysia's plan to participate in the rescue of bankrupt Dutch aircraft maker, NV Fokker, as an investment with potential but cautioned that a substantial amount would be needed to manage such an established company.

One industry analyst said it will be good for Malaysia to acquire a stake in such a renowned aircraft manufacturer, especially when the country is trying to develop its own aerospace industry.

"This will boost Malaysia's plan to develop its aircraft manufacturing activity as the proposed acquisition will bring in technology transfer and skilled resources.

"However, Malaysia will need a lot of investment. Any Asian country naturally needs a substantial amount of investment for such a plan," the analyst told Business Times.

He was asked to comment on a news report yesterday that Khazanah Holdings Bhd is looking into the possibility of participating in the rescue of NV Fokker.

Prime Minister Datuk Seri Dr Mahathir Mohamad and his deputy, Datuk Seri Anwar Ibrahim, confirmed Malaysia is studying the offer by the Dutch aircraft manufacturer but said the Government has yet to decide whether the plan is feasible.

Meanwhile, another analyst said Malaysia may have the edge if it intends to acquire NV Fokker in view of the projected growth of airline markets in the region.

"Aircraft manufacturers have predicted that the Asian region will be the major market for airline industries by the turn of the 21st century."

The analyst also said that Malaysians should not be pessimistic about the move.

Citing the success of Proton, the analyst said nobody predicted that the national car manufacturer would achieve its current level of success and produce more than one million cars when the idea was mooted more than 10 years ago.

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