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MAS RESTUCTURING CAN GO ON, SAYS PM

By: Azman Hashim

KUALA LUMPUR, April 16 (Bernama) - The government will not stop Malaysia Airlines from undertaking a restructuring of the company, Prime Minister Datuk Seri Dr Mahathir Mohamad said here today.

He said there was nothing wrong in the national carrier undertaking the exercise.

"Unless they do something wrong, I don't see why we should stop them," he said when responding to queries by newsmen on whether the government would allow the national carrier from proceeding with the proposed restructuring.

"I think they are doing a good job," he said after calling on Ugandan President Yoweri Kaguta Museveni.

Asked whether it was right for MAS chairman, Tan Sri Tajudin Ramli, who is also its major shareholder, to restructure the company to repay his personal debts, Dr Mahathir said: "No, I don't think so, if there is anything wrong with it, we will look into it."

"...but as far as I can see, he has done nothing wrong, why should we bother about it," he said.

Tajudin holds 52 percent equity in Malaysian Helicopter Services Bhd (MHS), which in turn holds 32 percent in MAS.

Tajudin, who reportedly has RM800 million in debts, created corporate history in July 1994 when he became the recipient of the largest loan facility amounting to RM1.792 billion ever given to an individual in the country.

He used the syndicated term loan to acquire the 32 percent stake in MAS through MHS.

It was arranged by RHB Sakura Merchant Bankers (then known as D&C Sakura Merchant Bankers Bhd), and managed by Bank Bumiputra Malaysia Bhd, with other lenders comprising Sime Bank Bhd (formerly United Malayan Banking Corporation), RHB Bank (then Development and Commercial Bank) and Arab-Malaysian Merchant Bank.

On people perceiving the restructuring as a bail-out, the Prime Minister said: "Everybody says it is a bail-out, everybody wants to see all our companies collapse and when it collapses, they say it has gone bankrupt, so the stock market goes down again."

Asked further whether there was a necessity for MAS to sell its aircraft, he said "everybody is selling aircraft in order to lease it back...that's the way you manage."

On whether Malaysia will publish the International Monetary Fund (IMF)'s findings on the country, he said he saw no reason why it should be published under the articles of the fund.

"Well, they (the IMF) have come, they have given their report, the ministry of finance has read them, I don't see why we should publicise anything but Mr (IMF managing director Michel) Camdessus and the rest have already made their statements and they feel that we are doing the right things," he said.

He said Malaysia, unlike Thailand, did not come under the supervision nor did it receive aid from the IMF.

Thailand, which received bail-out funds from the fund, has already published the IMF's findings on it.

"We are not under the IMF as much as Thailand is, so we don't have to do everything that the countries who are obliged to the IMF have to do," Dr

Mahathir said.--BERNAMA
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