

## Time to do it right

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BEING the investment arm of the Government, Khazanah Nasional Bhd's arrival at any corporate scene would be interpreted as a move desired and backed by the government of the day. Usually, Khazanah's participation is driven by strategic and national interest reasons. News that Khazanah is stepping into the Time **dotCom** dispute and taking up a stake in the telecommunications concern, therefore, is being viewed in this vein. Although the priority for Time **dotCom** creditors is to get back their money, many seemed not to be too happy with the debt restructuring plan if it effectively meant handing over the running of the company to a foreign firm, as would have been the case with the proposal **brokered** by the Corporate Debt Restructuring Committee.

The **CDRC-Time Engineering** (Time) proposal signalled the entry of Singapore Telecommunications Ltd (SingTel) into the local scene. Now, was that a bad thing for the local industry? Supporters of the proposal argued that the Singapore telecoms giant was

race, which involves Malaysia as **well**, to establish itself as the region's telecommunications hub. Telekom Malaysia Bhd was said to have been vehemently against the SingTel deal because of this "strategic" question. Sapura, the leading local telecommunications group which came up with its own rescue package for Time **dotCom** to counter SingTel, should have been happy that, as one of the creditors, it would have been paid in full by the **CDRC-brokered** deal. But it, too, was opposed to **SingTel's** entry from this so-called national interest point of view.

Prime Minister Datuk Seri Dr Mahathir Mohamad, when asked to comment on this little tussle for Time **dotCom**, made it clear that the Government was not involved in any attempt to block the Singapore company's entry into the local telecommunications industry. He also underscored the fact that Malaysia has approved many Singapore investments in the past. The Time **dotCom** issue, therefore, should remain a business decision

going to end up with only a 20 per cent stake in the deal, meaning that a substantial amount of the equity in the restructured company would have remained in Malaysian hands. SingTel, which failed in a bid earlier this year to enter Hong Kong, was also willing to pay more to Time and had guaranteed full payment to creditors upon the listing of Time **dotCom**. The generous deal would have undoubtedly helped Renong, which owns 47 per cent of Time, in **its debt** restructuring. And because **the Singapore company is very big, its know-how** would have benefited the Malaysian firm in trying to establish itself as a leading local player.

Those who were opposed to the offer by SingTel to rescue Time **dotCom**, however, **abhorred** the fact that even though the former was not going to hold majority stake, management of Time **dotCom** was going to shift into Singapore hands. From the national interest point of view, the **Time-SingTel** marriage would have given the Republic a strategic advantage in a

and if everyone concerned feels that they need to have SingTel as a partner, it is up to them to decide. Tun Daim Zainuddin, the Finance Minister, has also made the same point. However, as Parliament had been informed on two occasions recently, the Government is always looking at the national aspect of things as well.

If SingTel is indeed withdrawing from the scene, Time **dotCom** would still want to have a foreign partner to position itself better in the market. News that Nippon Telephone and Telegraph, the Japanese giant, will come in to replace SingTel, therefore, is an exciting one. It is interesting to see how Sapura will figure in any new debt restructuring scheme because that will gauge the willingness of local players, which are not too many to start with, to reach a compromise and work with each other in the name of national interest, even after a corporate tussle as bitter as the one they have been through with Time **dotCom**.