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MAS still looking for partner (HL)

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KUALA LUMPUR, Mon. - Details of the Government buying the shares of Malaysia Airlines chairman Tan Sri Tajudin Ramli are still being discussed, and the possibility of a foreign chief executive officer has not been ruled out, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister was asked whether the Government was still involved in discussions to buy out Tajudin's stake in MAS. He was speaking to reporters after opening the 40th Commonwealth Telecommunications Council meeting at the Mandarin Oriental Hotel here.

Replying, Dr Mahathir said: "Yes, we are."

Tajudin owns 47.71 per cent of Naluri Bhd, which in turn holds a 29.09 per cent stake in MAS. Naluri has been reported to be looking to sell all or part of its interest to raise cash to help pay off debts of more than RM1 billion.

Several foreign carriers have been linked to MAS as its strategic partner on the global aviation stage. This followed approval from the Government earlier this year for Malaysia Airlines to raise its foreign shareholding ceiling to 45 per cent from 30 per cent.

Foreigners currently own a 16.57 per cent stake in the airline.

Dr Mahathir was also asked on the progress of discussions which he was reportedly conducting with Finance Minister Tun Daim Zainuddin on possible partners for MAS.

"The stage (of discussions) is that the Minister of Finance is talking about it," he said to the laughter of those present.

Asked whether the partner was a European airline, Dr Mahathir said the selection depended on several factors.

"There are several suitors and we have to decide which one fits our bill best."

Dr Mahathir was also asked by a foreign journalist to confirm the three airlines reported to be possible partners for MAS - Qantas Airways, Swiss Air and KLM Royal Dutch Airlines.

"I'm as much in the dark as you are, but I am waiting for information coming from the Press. You have better intelligence than we have."

The Prime Minister was also asked whether the Government would give up its golden share in the national airline. Dr Mahathir replied: "We are looking at it. If that is an obstacle to Malaysia Airlines making progress, we will have to see what is in the best interest."

The Prime Minister was also asked to comment on a Business Times report last Thursday which said that a foreigner might be appointed CEO of the national airline.

Asked when such an appointment would take place, and whether there was any objection to the move, Dr Mahathir said:

"Now, (in) most small and big companies, most of the people who operate even nationally, they have a tendency to have strategic partners and even foreign managers.

"So it is a possibility ... I'm not saying that it has been decided."

The Prime Minister said at the moment Tajudin had a controlling share and "so you have to give him the right to manage.

"But if you want to control, then we have to buy him out," he said.

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