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Govt definitely taking over LRT operations, says PM

KUALA LUMPUR, Sat: Prime Minister Datuk Seri Dr Mahathir Mohamad confirmed today that the government will take over Putra and STAR-LRT.

He said the government is still studying the terms of the takeover.

"We are taking over Putra and STAR-LRT definitely, but the terms of the takeover must be beneficial to the country and the people," he told reporters after opening the first Malay Education Congress at the Putra World Trade Centre here.

He said a decision will be made very soon.

Mahathir, who is also finance minister, was commenting on reports that the government had revived a plan to take over both the LRT com-

panies.

Bloomberg News obtained a document stating that the two rail companies will be taken over by the government, and US\$1.4 billion (RM5.32 billion) of their overdue loans will be converted into bonds in what is described as the nation's biggest corporate rescue.

The government plans to acquire 80% of both the LRT companies, leaving Renong Bhd, Taylor Woodrow Plc, state-run pension funds and other shareholders with the rest.

Mahathir said Malaysians want first class treatment but are willing to pay only third class fee and this is the reason the terms need to be studied carefully.