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Airline's workers want to be consulted

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MALAYSIA Airlines Employees Union (Maseu) wants the Government to consult them before it decides to split the the carrier's operations into domestic and international services.

Maseu president Alias Aziz said the proposal to break up the operations, if implemented, will have an impact on the workers as some of them will be attached to the domestic sector and the rest to the international section.

"We will ensure that the workers' interests will be given priority if the Government decides to split Malaysia Airlines Bhd (MAS)' operations," he told Business Times when contacted in Kuala Lumpur.

Alias said so far, the union has not been called by the management to discuss about the proposal.

The 9,000-strong union will make sure that the workers will not lose out from the move to separate MAS' operations.

"We don't want workers' interests to be sacrificed.

"During the previous economic downturn, we have worked hard to increase productivity and we also have been very patriotic," he said.

In the meantime, Alias advised all employees of the national carrier, totalling over 21,000, to be supportive of the Government's efforts to turn around the company.

"Workers should look at the efforts to turn around the company in a positive manner," he said.

Prime Minister Datuk Seri Dr Mahathir Mohamad said on Monday that the Government, which is scouting foreign carriers for MAS' strategic partner, is studying the possibility of splitting the national carrier's operations.

The proposed move is to allow MAS' foreign partner to operate profitably without having to subsidise the domestic routes.

Transport Minister Datuk Seri Dr Ling Liong Sik was earlier quoted as saying that the proposal was aimed at safeguarding the national interest because the Government will be able to control the domestic fares and set a "fair price" for domestic travellers.

According to Asian Airlines and Aerospace magazine, between 1992 and 2000, MAS incurred an accumulated loss of RM2.48 billion, of which RM1.25 billion (56 per cent) was due to domestic operations.

Between 1992 and 1997, MAS absorbed losses from its domestic sector through cross subsidising between international and domestic services.

The Asian crisis, which began in 1997, affected the viability of the airline's operations.

At 32.5 sen per km, MAS' domestic airfare is 25 per cent lower than in Thailand and about four times cheaper than domestic airfare in Japan.

The last domestic fare increase was in July 1992, during which a 20 per cent increase was enforced on all sectors within Peninsular Malaysia, Sabah and Sarawak.

The proposal by MAS' previous management to raise domestic airfare by 50 per cent to offset rising costs in this sector was shot down by the Government.

The Government had just re-nationalised MAS following the completion of a 29.09 per cent share buyback from Naluri Bhd, which is owned by Tan Sri Tajudin Ramli for RM1.792 billion or RM8 per share, last year.

Although the Government had ruled out retrenchment when it took over MAS' controlling stake, workers are still concerned if the decision to split the carrier's operations would affect them.

Their concerns, if not on their employability, would be on salaries and benefits.

It is still unclear how the breaking up of MAS operations would take place and whether employees attached with the domestic division would get the same pay and benefits as their colleagues in the international sector.

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