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Dr M: Putra and STAR LRT operators will be compensated

Patrick Sennyah

KUALA LUMPUR, Mon. - The Government will compensate the two debt-ridden light rail transit operators but has yet to work out the amount, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the Government was looking into the matter and had not made a decision on how much the compensation should be.

Renong Bhd's wholly-owned Projek Usahasama Transit Automatik Sdn Bhd (Putra) and Sistem Transit Aliran Sdn Bhd (STAR) were adversely affected by the recent economic downturn and were taken over by the Government late last year in a RM6 billion deal.

The companies are now waiting for the Government to complete the asset buy-back as part of the RM6 billion debt revamp.

The Asian Wall Street Journal reported today that the Government had decided it would not compensate the two companies and that under a revised rescue plan, the Government would assume total liabilities.

Quoting "officials familiar with the plan", the newspaper said Dr Mahathir was expected to make an announcement on this soon.

"We will compensate the companies as to the amount they deserve," said Dr Mahathir, adding that a study was being conducted to determine whether the companies could operate the system, providing services to the public and at the same time, not run at a loss.

Dr Mahathir was speaking to reporters after chairing the first meeting of the Malaysian Aerospace Council at Putrajaya.

Asked if the study was being conducted by the Corporate Debt Restructuring Committee, he said: "It is not only the CDRC, but the Government is also looking into it."

The Prime Minister also said Malaysia might consider increasing the number of its satellites.

He said there were many opportunities for the country in aircraft manufacturing and the aerospace industry.

He said the immediate attention was on the locally-assembled Unmanned Airborne Vehicle Eagle surveillance aircraft.

UAV Eagle is the result of the collaboration between two local companies, Composite Technology Research Malaysia and Excelnet, with components provided by BAe Systems.

While the UAV Eagle is military-oriented, another version of it - the aerial reconnaissance vehicle - can be used for various purposes including monitoring open burning, illegal logging, piracy and movement of illegals.

Asked on the Government's efforts to draw back local scientists working abroad, Dr Mahathir said only a few had returned.

He said this was mainly due to the attractive incomes they earned abroad compared to that offered here.

The MAC is a high-powered national level steering company chaired by Dr Mahathir and deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi as the deputy chairman.

Its members comprise ministers from pertinent ministries and representatives from the Royal Malaysian Air Force, director-generals of the Public Works Department, Economic Planning Unit and the Department of Civil Aviation.