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MAHATHIR-MAS

DR M: I'VE NOT HEARD OF JOB CUTS IN MAS

KUALA LUMPUR, Oct 4 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said that he has not heard of any plans of job cuts in Malaysia Airlines (MAS).

"I didn't hear anything about job cuts but they (management) are restructuring MAS," he told a press conference after officiating the CEO Summit 2001 here.

The government is now the controlling shareholder of the national carrier which employs about 22,000 people.

MAS, which has been incurring losses since the 1997 regional crisis, has recorded a loss of RM1.33 billion in the financial year to March 2001.

Following the Sept 11 terrorist attack in the US, the world air travel industry has been adversely affected.

As a result, major carriers are expected to lay off about 100,000 staff. Malaysia Airlines were speculated to undertake similar job redundancies.

Dr Mahathir said contrary to practices elsewhere, problems in Malaysia are not solved by retrenching employees.

"Whenever there is a problem, we don't begin by sacking people. We must look into how we can manage it without sacking anybody," he added.

It is believed that the management of MAS had only discussed about reducing operational costs and had not decided on trimming down on staff.

On another note, the prime minister was also asked whether the government is taking Renong Bhd private following the resignation of the company's executive chairman Tan Sri Halim Saad effective yesterday.

The government, through Syarikat Danasaham Sdn Bhd, has successfully taken United Engineers (Malaysia) Bhd (UEM) private via a conditional voluntary general offer.

Danasaham is now effectively the largest shareholder of Renong by virtue of the 31 percent stake in Renong held by UEM.

"We are looking at the whole of UEM to find out the ramifications and the need to restructure to make it more viable.

"We have not decided to sell UEM subsidiaries and associate companies yet," he said.

The prime minister said the government has to look into the matter in details before making any decision.--BERNAMA

MAD/ER SHY