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Emirates interested in MAS stake if offered

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EMIRATES, the international airline of the United Arab Emirates (UAE), has indicated that it will seriously consider acquiring a stake in Malaysia Airline System Bhd (MAS) if they are approached.

"We would certainly seriously consider it," Emirates' commercial operations director Ghaith Al Ghaith said in an interview in Dubai.

"Emirates always examine any opportunities that comes across... we do not want to disregard anything," he said, adding that Emirates is focusing on aggressive plans to expand its operations.

Prime Minister Datuk Seri Dr Mahathir Mohamad was reported as saying that the search for a strategic partner for MAS has not been easy.

"The parties must agree... they must be willing. There are lots of people who are interested but, of course, they have to look at the terms," he said.

Dr Mahathir declined to name the potential suitors or reveal the status of their negotiation, but confirmed that talks are still ongoing.

Ghaith pointed out that Emirates has not been approached by MAS to date.

On the elements that will be taken into consideration in selecting a suitable partner, Ghaith said Malaysia is an emerging market in the region and has a bright future since it is more stable compared to other South-East Asian countries.

"Other than financial success, we have to look at business opportunities and objectives and whether they fit Emirates," he added.

Ghaith said Emirates usually tries to create synergies when investing in other markets and to add value.

When asked if Emirates would consider approaching MAS to buy a stake, he said he was not in a position to make such a decision.

However, he went on to say: "Why not? It sounds like a good opportunity. We have a lot of things in common with Malaysia."

The Government and government-linked agencies now have a combined 58 per cent interest in MAS. The other agencies with substantial interests are Kumpulan Wang Amanah Pencen (20.04 per cent) and the Employees' Provident Fund (9.1 per cent).

Switzerland's SAirGroup was said to be a serious suitor but a new management at the group has since reportedly decided to review the foreign expansion plans due to weak profits.

Other airlines, which had expressed similar interest, were KLM Royal Dutch and Australian Qantas Airways.

Foreign shareholding in MAS, which the Government allows up to 45 per cent, now stands at only 7.47 per cent.

For the financial year ended March 31 2000, Emirates registered 5.13 billion dinar and net profit of 319.96 million dinar.

Total number of passengers carried during the period was 4.78 million. This figure, according to Ghaith, is expected to grow by up to 20 per cent for the year ending March 31 2001.

Emirates, one of the main sponsors of the Dubai Shopping Festival, enjoyed a growth of more than 20 per cent in terms of business (actual travel) in the first two weeks of the ongoing festival this year compared to the same period in 2000.

"Dubai Shopping Festival as always creates a big demand for us (Emirates) and we have been extremely busy over the past two weeks, more than we expected," he pointed out.

The festival is held in March annually since 1996.
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