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Mahathir-LRT

GOVT HAS YET TO DECIDE ON QUANTUM OF COMPENSATION FOR STAR AND PUTRA

PUTRAJAYA, July 2 (Bernama) -- The government would compensate owners of Malaysia's debt-ridden light rail operators but have not decided on the quantum of compensation to be given, said the Prime Minister Datuk Seri Dr Mahathir Mohamad today.

Denying reports that the government would not compensate the operators on the former's plan to acquire assets of the two operators namely Sistem Transit Aliran Ringan Sdn Bhd (Star) and Projek Usahasama Transit Ringan Automatik (Putra), he said: "We will compensate them according to our affordability."

Speaking to reporters after chairing the first meeting of the Malaysian Aerospace Council here, he said the government was still reviewing the planned acquisition so that the companies can continue to provide their services to the public without having to incur losses.

Under a restructuring scheme for Star and Putra, the government was to assume the liabilities of both companies estimated at RM5.5 billion.

Under an earlier proposal, the government had proposed to issue bonds worth RM6 billion to take over the assets of Star And Putra.

The plan was put on hold while awaiting recommendations from debt mediator, the Corporate Debt Restructuring Committee (CDRC) for an alternative rescue plan for the companies.

CDRC had said that the time to restructure the two operators depended entirely on the government.

"Not only the CDRC (made suggestions), we also made our own studies," he added.

Dr Maathir earlier chaired the closed-door meeting of the Malaysian Aerospace Council attended by several ministers, senior government officials and key representatives from relevant organisations.

Commenting on the national aerospace programme, Dr Mahathir said: "We are studying the possibility of having more satellites for our use, but currently no decision has been taken."

He said the Eagle reconnaissance aircraft acquired by the Defence Ministry would be used for surveillance and military purposes.

"You can programme (the aircraft) so that it can go to certain places, loiter there, do certain things and come back...it is a very sophisticated aircraft," he said.

On June 8, the Defence Ministry signed an agreement with Composites Technology Research Malaysia Sdn Bhd to launch the Eagle ARV, a product of the company to be used in monitoring illegal immigrants, unauthorised logging and fire-fighting.

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