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It's not a bail-out, says Dr M

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THE proposal by Malaysian Airports Holdings Bhd (MAHB) to sell the Sepang Formula One Circuit to national oil corporation Petronas is not a bail-out, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

He said it was a known fact that shareholders of MAHB, which owns the racing circuit, were not interested "to have anything other than the core businesses of the airport".

"The Government has not really made any decision whether to give it to Petronas or to other people.

"The Sepang circuit is not the core business (of MAHB). The people (investors) only want the core business of the airport and nothing else, whether (it is) the exhibition centre, auction centre or the racing circuit," he told reporters at his Hari Raya open house in Seri Perdana, Putrajaya.

The Schiphol group of the Netherlands, which operates Amsterdam airport, is in talks with MAHB to acquire up to 30 per cent of the company but it is believed to be not keen on MAHB's non-core assets.

MAHB started negotiations with Petronas recently on the possible sale of the Sepang circuit.

MAHB said the circuit would offer strategic advantages and synergies to Petronas as the latter is very much involved in motorsport activities, including being the title sponsor for the Malaysian round of the World Formula One Championship and the co-sponsor of the Sauber-Petronas F1 Team.

Petronas also has teams in rally car championships and the World Motorcycle Grand Prix.

Being a major shareholder in Proton Bhd, Petronas would be in a better position to improve the circuit utilisation not only for motorsport activities but also for research and development in the automotive and oil and gas sector, MAHB said.

Dr Mahathir said the Government wanted to see the Sepang circuit well-managed and be used to the maximum.

"We will have to know what they (the potential buyers) want to use the circuit for.

"Obviously for the F1 race, but the event is only once a year.

"We cannot build a circuit that size without using it fully although we must admit that the advertising value of the F1 is about five or six times the cost of building that circuit."

Sepang International Circuit Sdn Bhd, a wholly owned subsidiary of MAHB, would still be the promoter and organiser of the Petronas Malaysian Grand Prix.

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