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MAHATHIR-MAS

MAS HAD TO UNDERGO CHANGE OF COURSE TO AVOID TURBULENCE

KUALA LUMPUR, July 24 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the government was forced to urgently take over Malaysia Airline Systems Bhd (MAS) because it feared that the carrier's position was precarious.

If the government did not act quickly, it was feared that MAS would not recover at all, he told reporters after officiating at a ceremony to mark the handing over of the Proton World International smart card to Iris Technology Malaysia and Jabatan Pendaftaran Malaysia (the national registration department) at the Technology Park Malaysia premises in Bukit Jalil near here.

Dr Mahathir said MAS had reported increasing losses from RM700-RM800 million in 1999 to RM1.3 billion in 2000.

"If we did not take over quickly, if we kept figuring out how to pay (for taking over the flag-bearing airline)...MAS's predicament would worsen. For that reason, we had to act quickly to take over its operations. We did not (take over the airline) simply because we liked to pay out large sums of money to certain people," the PM emphasised.

Queried on the need for MAS accounts to be audited after the take-over exercise, Mahathir said the government must know the true position of each company that it takes over.

Asked whether the management under the chairmanship of Tan Sri Tajudin Ramli had made poor decisions that needed to be investigated, the PM stressed that Tajudin was not the subject of any investigation.

"Maybe they (the management) made poor decisions," he said.

For this reason, he continued, the government must find out whether the earlier decisions made by MAS were prudent, and take the necessary steps to correct matters.

Nevertheless, Mahathir said the government would take action if it found any evidence of criminal action or activity in the administration of MAS affairs.

"However, if the decisions were merely imprudent or inept, that is another matter," he said.

Asked about the problem of the United Engineers (M) Bhd/Renong Bhd combination, he said the government was forced to intervene in the matter because only by doing so could the government ensure the corporate recovery of not only UEM and Renong but also the recovery of companies under their control.

In this case, he said, action was being taken by the appropriate authorities.

The government had this week announced that a subsidiary of the state-owned Khazanah Nasional Bhd, namely Syarikat Danasaham Sdn Bhd would acquire all available UEM shares and subsequently de-list UEM from the Kuala Lumpur Stock Exchange (KLSE).

Asked whether Malaysian Resources Corporation Bhd (MRCB) was also involved in the revival exercise, he said that MRCB was not in very great danger at the moment). -- BERNAMA

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