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Mindef in talks with Treasury to help Airod

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THE Defence Ministry is negotiating with the Treasury to seek ways to assist Airod Sdn Bhd.

The negotiation includes injection of capital into the company to improve its efficiency in aircraft maintenance services.

Admitting that Airod is currently facing problems, Defence Minister Datuk Seri Najib Abdul Razak said with the assistance from the Treasury Airod would be able to improve its role efficiently.

"We are currently negotiating with the Treasury and Airod. We hope that once we get the assistance, Airod will be able to improve to become a successful aircraft maintenance service provider," he said after conferring the rank of Honorary Colonel to five civilians in Kuala Lumpur yesterday.

The five recipients are Malacca State Secretary Datuk Abdul Aziz Mohd Yusof, DRB-HICOM executive chairman Tan Sri Saleh Sulong, Tenaga Nasional Bhd president and chief executive officer Datuk Fuad Jaafar, Universiti Sains Malaysia vice-chancellor Professor Datuk Dzulkifli Abdul Razak and International Islamic University rector Professor Dr Mohd Kamal Hassan.

Najib was asked to comment on an article in the "Letter To Editor" column in Berita Harian on July 19 which claimed that privatization has degraded the skills of the Armed Forces staff when joining the private sector such as Airod.

He dismissed such claims, adding that the military officials who joined the private sector were those who have retired from the service.

Furthermore, he said, since Airod was set up it had shown its capability not only by ably servicing the Royal Malaysian Air Force's (RMAF) aircraft but also the foreign aircraft such as from the US and the Philippines.

However, he said to ensure it could provide efficient maintenance services, Airod need to have sound financial standing, especially to source parts which the company seems to be lacking.

"This was partly because the company is facing dead stock or slow stock due to the decommissioned status of some of the aircraft such as the Caribou and Skyhawk," he said.

He also noted of the importance of the setting up of Airod, which he said was to spur the development of the aerospace industry and one of the potentials identified was in the maintenance sector.

Airod is one of the companies proposed to be tied up under one consortium that will spur greater growth in the aerospace industry as outlined under the Malaysian Aerospace blueprint launched by Prime Minister Datuk Seri Dr Mahathir Mohamad during the Langkawi International Maritime and Aerospace exhibition in Langkawi in 1997.

Besides Airod, other companies in the proposed consortium are Aerospace Industries of Malaysia Sdn Bhd, SME Industries, Composite Technology Resources Malaysia, Aerospace Technology Systems Corp and Aerospace Resources Malaysia Sdn Bhd.

On the proposed retirement age for civil servants from 55 to 56 years old, Najib said the Armed Forces Council had agreed in principle to follow the new requirement.

"This is subject to Cabinet approval. But we will try to standardise the regulations with the one imposed to the other civil servants," he said. The new retirement age for civil servants takes effect after October 1.

On the possible threat to the national security in view of the current

political upheavel in Indonesia, Najib said Malaysians should not be unduly worried as the unrest situation is specifically confined to Jakarta.

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