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Maseu seeks lay-off details from Ling

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MALAYSIA Airlines Employees Union (Maseu) is seeking a meeting with Transport Minister Datuk Seri Dr Ling Liong Sik to discuss the possible retrenchment in Malaysian Airline System Bhd (MAS).

Maseu president Alias Aziz said the union wants to get a clearer picture from Ling on the possible retrenchment of the national airline's employees.

"Since it is the minister himself who brought up the possibility of the retrenchment in MAS, he should then brief us on it.

"We will send a letter to him to set an appointment date for the meeting," he told Business Times when contacted yesterday. The letter is expected to be submitted today.

MAS employs about 21,500 workers, of which a quarter are cabin crew and technical staff, while the rest ranges from supporting staff to front liners.

On Saturday, Dr Ling had said MAS is currently working on the retrenchment schedule following the carrier's restructuring exercise.

The terrorist attacks in the US on September 11, he said, may heighten the possibility of retrenchment.

The aviation and airfreight industries worldwide are the most affected following the attacks.

The Government, through the Minister of Finance Inc, is now the majority shareholder in MAS with a 29.09 per cent stake.

It is working on a turn-around plan to improve MAS' financial position after the national carrier posted a loss of RM1.3 billion in 2000.

However, Alias said based on feedback from MAS' management, there are no retrenchment plans.

"This morning, I met Tuan Haji Mohd Yusof, who is MAS general manager of human resource. He (Mohd Yusof) said MAS has not heard about any retrenchment of the staff," Alias said.

Alias said the union stands by the repeated assurances by Prime Minister Datuk Seri Dr Mahathir that there will not be any retrenchment after the Government takes over MAS.

In fact, he said the national carrier is facing manpower shortage, particularly in cabin crew, licensed aircraft engineers and mechanics.

"MAS is experiencing a shortage of cabin crew of between 500 and 1,000 people.

"The national carrier's operations will be affected if there is retrenchment or the airline resorts to a voluntary separation scheme (VSS)," he said.

Analysts, meanwhile, are supportive of the move to reduce MAS' workforce. They see it as a positive step because labour forms almost 17 per cent of the carrier's total cost.

For the year ended March 31 2001, staff costs rose 11.2 per cent to RM1.7 billion from RM1.5 billion previously. This represents about 16 per cent of total group's expenditure for the financial year.

Some analysts said lay-offs or VSS should be carried out before the airline's financial situation worsens.

One analyst pointed out that job cuts are possible when there is a large number of staff who will be approaching their mandatory retirement age as they were hired when MAS was formed in 1972.

The task is easier for cabin crew as they are employed on contractual

basis, he said.

Meanwhile, sources said the carrier has frozen the intake of new staff, including cabin crew.

A week prior to the attacks in the US, MAS held nationwide walk-in interviews for cabin crew. It is not immediately known whether the recruitment drive has been stopped.

Transport Workers Union general-secretary Senator Zainal Rampak, when contacted by Business Times, appealed to the management of MAS to consider their social obligations and try to avoid any retrenchment.

Zainal, who is also Malaysian Trades Union Congress president, urged the Government to think twice before rushing to retrench workers.

"MAS can't compare its position with those in the US as our market is still strong, especially the domestic routes. The international routes are also operating as usual," he said.

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