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PM: Selection of new MAS head must be done properly

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PRIME Minister Datuk Seri Dr Mahathir said yesterday the process of selecting a new chairman for Malaysian Airline System Bhd (MAS) takes time as it must be done properly, otherwise problems will arise later.

"Don't think that buying shares that big does not pose any problem, it poses a lot of problems.

"If we make the slightest mistake, we will have to make a general offer or something like that," he said when asked why the Government is taking a long time to decide on a new chairman for MAS.

Dr Mahathir was speaking at a news conference after attending the National Unity and Social Development Ministry's Hari Raya gathering in Kuala Lumpur.

On December 20 last year, the Government repurchased a controlling stake in MAS for RM1.792 billion or RM8 a share from Naluri Bhd, which is owned by former MAS executive chairman Tan Sri Tajudin Ramli.

Asked whether the new chairman will be "a salaried chairman" or one who has has a stake in MAS, Dr Mahathir said: "We don't know yet."

Early this month, the Malaysia Airlines Employees Union (MASEU) urged the Government to appoint a Malaysian from the top management as the national carrier's new chairman.

According to MASEU president Alias Aziz, there are several candidates within the top management who qualify for the post as some of them have been with MAS for more than 20 years.

On the Bakun hydroelectric dam project, Dr Mahathir said the Government is still studying whether it will be built according to its original capacity of generating 2,400 megawatts (MW) of electricity.

"We are still studying it," Dr Mahathir said when asked to confirm speculation that the project will not be scaled back.

The Bakun dam project, shelved for two years due to the Asian economic crisis, was taken over by the Ministry of Finance Inc from Bakun Hydroelectric Corp Bhd (BHC) in August last year.

The project was then downsized to a capacity of 500MW, reducing its cost from RM13.5 billion to RM5 billion.

Asked when the Government will decide on the size of the project, Prime Minister said: "Patience."

A recent report in a regional magazine that the Bakun project will proceed according to its original scale has pushed interest in construction stocks and boosted the share prices of companies controlled by Tan Sri Ting Pek Khiing, who owns BHC.

The magazine added that construction stocks could get a boost from the resurrection of a full-scale Bakun hydroelectric dam project.

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