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MAHATHIR-MAS

MAS WILL NOT BE DELISTED, SAYS DR MAHATHIR

KUALA LUMPUR, Jan 29 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said that Malaysian Airline System Bhd (MAS) will not be delisted from the Main Board of the Kuala Lumpur Stock Exchange (KLSE) as part of a proposed reorganisation of the group.

"I would like to clarify because a business report in a newspaper was a bit confusing," he told reporters, after officiating a conference organised by Dewan Bahasa dan Pustaka (DBP), here today.

"People think that the government is forming a new entity which is called MAS, whereas only the listed company is the one operating the international operation," he said.

Yesterday, MAS managing director Datuk Md Nor Md Yusof announced that the shares of MAS would be transferred to a newly incorporated company Newco, which will be a subsidiary of MAS.

Newco will have a concession over international passenger and cargo.

MAS which was listed in 1985 has debts of about RM10 billion.

Md Nor said that the proposed reorganisation of the group entails the separation of its international passenger services and cargo operations from its domestic operations.

Dr Mahathir, who is also Finance Minister, said that the government has proposed that MAS operates only the international routes using aircraft leased from the government.

"MAS would not own any aircraft. It is like a hotel operator which operates the hotel but not owning it."

"The government will lease the aircraft to MAS. MAS will operate international routes and that is the company that will take the place of (the) present MAS," he said.

"That will be the listed company."

Dr Mahathir also said that the national carrier will be operating the domestic routes as an operator on behalf of the government.

"When they operate domestic (route), we will pay them," he said.

On MAS' other activities and assets, Dr Mahathir said that all the other functions would be taken away and would be acquired by the government initially, and maybe somebody would want to buy up MAS Catering or MAS Engineering.

"The rest will be taken away by the government and sold to the most eligible bidder," he said.

The Prime Minister said that it would mean all loans incurred by MAS in purchasing aircraft and all the losses sustained by the national carrier in the other functions like in the engineering, domestic routes and catering, would be taken away initially by the government and then be sold.

For the nine months ended Dec 31, 2001, MAS incurred a pre-tax loss of RM1.127 billion compared with a loss of RM843.031 million in the same period a year earlier.

When asked whether the government was still interested in getting a strategic partner, he said: "Yes, for the operation of MAS. We are still interested, but we will have to know what their intentions are because it will be a company that operates an airline but does not own any asset."

Dr Mahathir also said that the strategic partner would be with the operating company that operates the international routes.

He said that the proposal would remove all MAS' debts and the national carrier would have no debts after that.

On the need for a golden share in the company, Dr Mahathir said that the government already has the majority share and there was no need for the golden share. -- BERNAMA

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