

RM6bil for MAS not bailout, says Najib
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The RM6 billion which Malaysia Airlines (MAS) owner Khazanah Nasional is injecting to turn around the airline is "not a bailout" but an "investment", the government said.

Prime Minister Najib Abdul Razak said that this is as the national sovereign wealth fund is expecting to get its money back.

"No, it's not a bailout. It's a bailout if we use public money to buy over from somebody else, for example... but in this case the money is injected to make MAS a viable organisation...

"A bailout is not recoverable. In other words, Khazanah intends to recover every single sen of the RM6 billion amount.

"So this is an investment, not a bailout. It's an investment by Khazanah," he said.

Khazanah today unveiled a RM6 billion restructuring plan for MAS, which is expected to turn the airline around in three years - by 2017.

The rakyat wants MAS to stay

The plan involves forming a new company to take over the loss-making business's assets and slashing 30 percent of the staff or 6,000 workers.

"Whatever steps we take in the restructuring, including right-sizing, will be done in a humane and compassionate manner," he said.

He said that this could include presenting options of alternate employment, up-skilling or unrolling a voluntary separation scheme.

Najib, who is also Khazanah chairperson, said the restructuring is important as "the rakyat want MAS as to remain as a national carrier to be proud of".

He added that the move is also underlined by "commercial viability".

"God willing, the plan is viable as Khazanah has the experience in restructuring UEM, which is now a company with a largest market cap," he said.

