

PM's RM6bil MAS bailout denial rubbished

MalaysiaKini.com

Aug 30, 2014

Perak DAP has rubbished Prime Minister Najib Abdul Razak's insistence that Khazanah Nasional's RM6 billion state funds injected into troubled Malaysia Airlines (MAS) is not a bailout.

"No Malaysian will believe Najib when he described the RM6 billion injected into MAS as an investment rather than a bailout.

"Why would any sane investor want to 'invest' in a company that has lost a total of RM4.3 billion for the past three years?" said DAP Perak economic development bureau chief Chong Zheming in a statement today.

Chong said it was "crystal clear" that the government was attempting to throw MAS a lifeline rather than allowing it to go through the bankruptcy process like any other company would have to do in its current situation.

He also criticised the mooted MAS Act to facilitate staff transfer and review of employment contracts, bypassing the bankruptcy procedure.

"If MAS wants to come under legislative protection, it should go through the bankruptcy process, not by passing the proposed MAS Act.

"Filing for bankruptcy under Section 176 of the Companies Act 1965 will allow MAS to come under creditors protection and review all its current contracts," he said.

Chong said even if MAS filed for bankruptcy, it could still operate under a new company with the same name if the Registrar of Companies allows it.

Why special Act for MAS?

Chong said the enactment of a MAS Act would change the legal status of employment for MAS staff, which could be unfair to them.

"The MAS Act is against natural right and unjust as it could nullify all current employment contracts with MAS," he said.

Chong urged Najib to explain the rationale of enacting a new law just for MAS, instead of letting it go for bankruptcy like any other company.

"Najib must explain the reasons of proposing the MAS Act instead of letting MAS file for bankruptcy," he said.

Yesterday, Khazanah Nasional which has taken control of MAS, announced a RM6 billion rescue plan for the troubled airliner which will include laying off 30 percent of its workforce amounting to 6,000 job cuts.

MAS has been losing an average of RM3 million a day since it was struck by twin disasters this year, with Flight MH17 being shot down over Ukraine and Flight MH370 remaining mysteriously lost purportedly in the Indian Ocean.

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