

MAHB transformation to boost investments, economy: Finance Ministry

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The transformation efforts of Malaysia Airports Holdings Bhd (MAHB) are expected to attract more airlines and passengers and boost the country's economic growth while providing returns to the government, according to the Finance Ministry.

The ministry said MAHB must immediately implement service reforms and intensify investments to ensure it remains competitive, considering the increasingly fierce and challenging regional competition.

“Among the key areas that will be prioritised by the consortium are completing high-priority capital projects, accelerating capital investments and developing ancillary businesses around airports,” said the Finance Ministry in a written parliamentary response.

This was in response to a question from Machang MP Ahmad Fayhsal Wan Ahmad Kamal about the five non-executive independent board members who disagreed with the sale of MAHB shares and recommended rejecting the share

buyout offer.

The ministry added that the Gateway Development Alliance Sdn Bhd (GDA) consortium, which took over MAHB, believes that privatising the company is the best step as it allows decisions and long-term investments to be made more quickly.

In principle, the ministry stated that the takeover and privatisation offer for MAHB is a commercial transaction led by UEM Group Bhd and the Employees Provident Fund (EPF) as the majority shareholders, holding 70 percent in the GDA consortium.

The consortium also comprised Global Infrastructure Partners (GIP) and the Abu Dhabi Investment Authority (Adia).

On the MAHB board members who disagreed with the sale, the Finance Ministry said the recommendation made by the five independent directors of MAHB was that the offer price from the GDA Consortium does not reflect MAHB's true value, based on the justification that MAHB has strong growth prospects.

"However, this argument has been refuted by the GDA consortium, which believes that the prospects raised by the independent directors of MAHB are overly optimistic and cannot be realised under the current circumstances,

considering the ongoing challenges faced,” it added.

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