



## Death Knell for MAS?

Will the launch of a low-cost, long-haul service in AirAsia X further jeopardise beleaguered national carrier MAS?

THE LAUNCH OF A LOW-COST, LONG-HAUL SERVICE BEGINNING MID THIS YEAR could mean even more problems for national carrier Malaysia Airlines (MAS).

Following a recent massive RM800 million bailout by taxpayers' money, the price-slashing antics of AirAsia X would definitely mean a loss of business to it.

Strangely, MAS seems unperturbed by this latest turn of events. It argues that the market is big enough for both airlines and that the concept of cheap, long-haul travel is nothing new. For good measure, it even wished AirAsia 'the best in this highly competitive market place'.

Brave words from MAS, especially when it has in the past done everything it could to frustrate AirAsia in its expansion efforts. Either that or it is still living in denial. And why shouldn't it? After all, each time it goes into financial difficulties, the taxpayer is always there to rescue it, all in the name of national interest.

Soon, taxpayers will begin to ask questions. Is doing national service good enough a reason for complacency? Or rather, does being a national airline give you the ticket to incur losses?

If you really look at it, it is AirAsia that is making the country proud by bringing in the tourist dollar, while MAS has mostly been a burden to the government.

According to analysts, MAS would not be affected as AirAsia X's new service will appeal to budget travellers. They say MAS' long-haul routes concentrate on high-yield customers and that each airline would have different target markets.

We sincerely hope the analysts are right. We hope MAS' flights to Britain will be unaffected and that a new group of travellers, who have not flown before, will fly AirAsia X's new service.

Ironically, that was not the same argument put forward by MAS when AirAsia began its domestic operations. It did everything it could to prevent a price war, including protesting new domestic routes proposed by the low-cost carrier. Every conceivable obstacle was placed in its way.

In the end, it made very little difference. As its financial results in recent years had shown, MAS continued to sink deeper into the red. Even if there were no AirAsia, one suspects that the national carrier would still have incurred losses, albeit on a smaller scale.

AirAsia should not be faulted for the woes of MAS. Instead, it should be lauded for its innovation, productivity, ingenuity and drive.

It is doing a great service to the country by bringing in tourists and cutting down on travel costs for Malaysians at a time when prices of everything seem to be rising. If anything, MAS should be learning from AirAsia, not fighting it.

There are signs that the new management of MAS is at least trying. It has implemented a VSS exercise and is selling tickets online. But more needs to be done, especially in terms of greater productivity and cutting down on wastage. There is a big difference between cutting down costs and cutting down on the level of service to passengers.

If other airlines can maintain or even enhance the level of service and remain profitable, then so can MAS. What it needs to do is cut down on fraud, mismanagement and other excesses. Its management certainly knows what they are, so there is no need to go into details.

The government on its part must have the political will to institute further changes in MAS, even if it means cracking the whip. There should also be greater transparency and accountability when it comes to MAS' tenders and contracts. After all, taxpayers have every right to know what they are paying for.

Many government-owned airlines in the world are both efficient and profitable. So, you don't really need a guy like Datuk Tony Fernandes to run MAS. What you need is political will.

The announcement of budget long-haul flights is a great start to 'Visit Malaysia Year 2007'. Let's hope we don't get shallow-minded politicians with their petty reasoning throwing a spanner in the works to thwart entrepreneurship. **mb**

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