

MAG DECISION

'No political interference in Boeing deal'

MALAYSIA held discussions with China and Brazil on aircraft procurement before moving ahead with plans to buy Boeing planes, Prime Minister Datuk Seri Anwar Ibrahim said.

Anwar said the decision to acquire the aircraft was made by Malaysia Aviation Group (MAG) following the carrier's return to profitability after years of financial losses.

"The aircraft needed to be bought.

"This was the first time Malaysia Airlines since 2004 that recorded a profit after years of losses.

"As for Malaysia Airlines buying Boeing aircraft, the decision was made by MAG.

"They had two options for this

fleet, and yes, they had to make a purchase.

"There was no political interference. Management must remain transparent and efficient," he told the Dewan Rakyat yesterday.

He added that MAG had also placed orders last year for wide-body aircraft from Airbus.

Malaysia, Anwar said, had also engaged in discussions with Brazil and China.

However, he said, China responded that their aircraft were suited for domestic use, while Brazil had yet to deliver despite an earlier order.

Anwar, who is also finance minister, said the government had imposed a condition that aircraft manufacturers must carry out

production in Malaysia, a requirement that Boeing and Airbus already meet.

"Airbus wings, for example, are produced in Negri Sembilan, Kulim and Selangor. The same goes for Boeing components.

"Demand is rising rapidly for routes to India, China and Japan, requiring MAS to ramp up its fleet capacity.

"If we support the private sector like AirAsia, why can't we do the same for Malaysia Airlines?"

On Monday, Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz had said Malaysia has committed US\$242.56 billion in purchases and investments in the United States to narrow the trade imbalance between the two countries.