

Pakatan says alarmed MAS being dragged into 'football fantasy'
The Malaysian Insider
September 13, 2011
By Shannon Teoh

KUALA LUMPUR, Sept 13 — The federal opposition has criticised the use of state assets to fund an English football club owned by Tan Sri Tony Fernandes following yesterday's announcement that both the ailing Malaysia Airlines (MAS) and AirAsia were the new kit sponsors of Queens Park Rangers (QPR).

Pakatan Rakyat (PR) lawmakers said the AirAsia tycoon, who is now also a director at flag carrier MAS after a share swap last month, had acted with "impunity" in a deal that they said continued a "penchant for wasteful mega-branding exercises."

"This is once again public assets being used to fulfil the fantasy of one of their directors while MAS is in an ailing position," said DAP strategist Liew Chin Tong (picture).

"What an atrocious proposition — a loss-making GLC now being arm-twisted with impunity as we had anticipated by their new flamboyant 20 per cent owner," added PAS research chief Dzulkefly Ahmad, referring to last month's share swap which saw Fernandes' Tune Group take a one-fifth stake in the national carrier.

MAS had together with AirAsia announced the "multi-million pound" shirt deal with QPR where the national carrier will sponsor QPR's home jersey for the next two seasons, while AirAsia's logo will be emblazoned on the team's away and third kits.

Fernandes had taken a 66 per cent holding last month in the club that just returned to top-flight football this season. This came just a week after state asset manager Khazanah Nasional Berhad swapped 20.5 per cent of MAS stock for a 10 per cent stake in Asia's biggest budget carrier on August 9.

The swap enabled AirAsia bosses Fernandes and his partner Datuk Seri Kamaruddin Meranun to sit on the MAS board and ostensibly help turn it around although Khazanah has denied that AirAsia was bailing out MAS.

MAS announced in August a net loss of RM527 million for the second quarter of 2011 due to higher fuel costs despite recording a better yield and a nine per cent growth in passenger revenue from the same period last year.

This brings total losses in the first half of the year to RM769 million even as the airline said that profit outlook for the second half of the year appears bleak.

The flag carrier said its group total revenues increased to RM3.485 billion for the second quarter of 2011, or eight per cent more than the RM3.213 billion for the same quarter last year, while passenger revenue was RM2.086 billion for the same period this year compared to RM1.912 billion for the corresponding period in 2010.

Three unions in MAS representing about 15,000 employees recently threatened picket action over the national carrier's share swap exercise with AirAsia.

Union representatives said they felt the deal would not benefit MAS, and that they suspected the carrier's new management team was planning the creation of a new brand within the airline as part of a union-busting move.

PKR vice-president Nurul Izzah Anwar said today she hoped that "this is not a short-sighted move that will leave our already-beleaguered national airline in a sorrier state, lest we are forever known as a Third World regime with global pretensions and a penchant for wasteful mega-branding exercises that do not present the best return on taxpayers' and shareholders' funds."

The Lembah Pantai MP noted that Proton had sponsored another English football club Norwich City from 2003 to 2006 which "did little to change the national car maker's financial fortunes."

Liew, who is Bukit Bendera MP, also noted that this was not the first time Malaysian brands had gone in for an "overkill" in sports marketing as Fernandes' Lotus Formula One team is now going up against the Mercedes GP Petronas team.

The Malaysian Insider

Copyright © 2011 The Malaysian Insider

Source:

<http://www.themalaysianinsider.com/malaysia/article/pakatan-says-alarmed-mas-being-dragged-into-football-fantasy/>