

MAS-AirAsia collaboration to boost air travel
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KOTA KINABALU (Aug 14, 2011): Malaysia Airlines and AirAsia Bhd are expected to leverage on each other's strength to develop the local airline industry and further boost air travel in the country following their recent collaboration, says Deputy Transport Minister Datuk Abdul Rahim Bakri.

He described the collaboration as very strategic and the norm among big corporations to synergise in order to face stiff international competition especially from Middle East airlines.

"This collaboration is similar to those being undertaken in the global financial and banking industry with the onslaught of globalisation and liberalisation.

"What is important is that the welfare and interest of Malaysians, especially those frequenting domestic air travel is not jeopardised," he told Bernama here today.

However, Abdul Rahim said healthy competition, affordable fares and quality service would not be compromised, at any cost.

He was confident Khazanah Nasional would have looked into all these details before deciding on the collaboration framework.

Under the agreement between MAS, AirAsia Bhd and AirAsia X, Khazanah will hold 10 percent of shares in AirAsia while Tune Air Sdn Bhd will hold 20.5 percent shares in MAS.

Khazanah will continue to be the single largest and major shareholder of MAS.

In addition, Khazanah proposes to acquire 10 percent shares in AirAsia X at a price to be mutually agreed later.

Abdul Rahim said the collaborative framework was purely a business decision. -- Bernama

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