

## **MAS unions to take MAS-AA breakup fight to Parliament**

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**By Lee Wei Lian**

KUALA LUMPUR, March 15 — Unions and associations representing Malaysia Airlines (MAS) employees are planning to take their fight to unravel the collaboration between the national carrier and AirAsia to Parliament following their meeting last month with the prime minister.

The move could raise the political stakes involved in the deal to link former rivals AirAsia and MAS as the unions claim that a vast majority of their members have switched allegiance to the opposition due to their unhappiness over the corporate manoeuvre.

MAS Employees Union (Maseu) secretary-general Abdul Malek Ariff told The Malaysian Insider that they are sending the same memorandum opposing the MAS-AA deal that they submitted to Datuk Seri Najib Razak to lawmakers from both Barisan Nasional and Pakatan Rakyat.

“The next step for us is to meet the MPs in Parliament,” he said.

Abdul Malek revealed that Najib had said during his hour-long meeting with the union that he was sympathetic to the employees’ grievances, but the prime minister had yet to come back with a response.

The union leader also claimed that following the meeting, the prime minister had called the MAS chairman, managing director and a Khazanah Nasional Berhad official over the collective complaints made by employees. It is learnt that Khazanah managing director Tan Sri Azman Mokhtar later met Najib over their grouses.

Abdul Malek said Maseu planned to urge federal lawmakers to halt the collaboration, alleging that it was “unfair” to MAS, saying the deal had caused a considerable backlash among his members.

“When the Special Branch called me to ask how the MAS employees are going to vote, I said it used to be 50:50 but now it is 90 per cent voting for the opposition,” he said. “When you talk to the employees, they all grumble about the government.”

Maseu, which is a peninsula-based organisation, has about 7,000 members but Abdul Malek said that seven other unions and associations representing MAS employees, managers and pilots including those from Sabah and Sarawak are also represented in the memorandum, totalling about 13,000 to 14,000 employees.

He said the main issue among the union members was that they “don’t trust” AirAsia.

“You have a serious industrial relations problem once you do not have trust,” he said.

The grievances raised by Maseu include proposed cuts to salaries and benefits by up to 30 per cent and an “invasion” by former AirAsia employees into key positions in MAS.

The Malaysian Insider reported on March 9 that Putrajaya was reviewing the eight-month-old MAS-AirAsia alliance as it has failed to show any promised improvement or lift the morale of the 20,000-strong staff in the flag carrier that lost RM2.52 billion in 2011.

The Najib administration is also considering taking MAS private by directing state asset manager Khazanah to buy back a 20.5 per cent stake exchanged with Tune Air Sdn Bhd, the majority owner of AirAsia, for a 10 per cent stake in Southeast Asia's largest budget carrier.

Khazanah and Tune Air agreed to the share swap last August, after four previous unsuccessful attempts for an alliance between MAS and AirAsia, which soared from a decade ago when Tan Sri Tony Fernandes and partners bought the two-aircraft operation and its debts for RM1.

Khazanah's CIMB Bank advised both parties in the deal, which was seen as the last attempt to save MAS despite an earlier rescue programme in 2001 planned by advisory firm BinaFikir Sdn Bhd.

MAS posted its highest-ever annual net loss of RM2.52 billion last month, prompting MAS CEO Ahmad Jauhari Yahya to say that the airline was facing a "crisis".

The carrier attributed the losses to the increase in fuel price, which rose from US\$95 per barrel in 2010 to US\$133 per barrel in 2011.

The bigger-than-expected losses were also due to one-off provisions like redelivery of aircraft, impairment of freighters and stock obsolescence.

MAS hopes to finalise and announce a plan to raise funds and strengthen its balance sheet within the next 60 days.

This is critical as the carrier's plan to deploy 23 new aircraft this year would cost some RM6 billion.

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