

Merger With International Airlines Way Forward For MAS, Says Munir Majid
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KUALA LUMPUR, March 7 (Bernama) -- Prominent economist and banker, Tan Sri Dr Munir Majid, said the national carrier, Malaysia Airlines (MAS), should look into merging with other international airlines to move forward.

"Malaysia Airlines is a medium-sized company in the global aviation industry that is getting more competitive.

"They should look at mergers to move forward," he said when responding to a question from the floor during a panel discussion held in conjunction with the National Economic Summit and Dialogue with the Prime Minister here Friday.

The summit was jointly organised by the Malaysian National News Agency (Bernama) and the Asian Strategy and Leadership Institute (ASLI).

Munir, who is also former MAS chairman, said three potential airlines that could be partners of MAS have been identified for a possible merger but he declined to disclose them.

He said medium-sized companies were reluctant to merge with bigger companies because they were afraid of losing major equity control.

"However, that is the fact these companies must face. When small airlines merge with bigger airlines, they will get only 35 per cent of the total company.

"They have to accept this as that is what it takes (in a merger)," said Munir, who is Bank Muamalat chairman and also chairman of CIMB Asean Research Institute (CARI).

CARI was established in 2011 by CIMB Group as a regional public service in support of Asean's economic integration, the Asean Economic Community (AEC).

On financial issues, Munir said the Malaysian government's priority to place its financial stability on the right track would pay off through subsidy rationalisation and the soon-to-be implemented Goods and Services Tax next year.

He noted that emerging market economies such as India, Mexico, Brazil and Russia were supposed to be "bricks or semi-bricks but are now collapsing due to the failure in addressing financial issues."

Responding to a question from a participant on the level of happiness in the country, he said, the Happiness Index was a new measure of wellbeing.

However, the index has yet to be introduced in the country, he said.

The participant said the nation's wealth should not only be measured from the gross domestic product growth but also based on the people's happiness.

To this, Munir said: It might be a good time to start measuring the index here, but our main problem is that we complain a lot. Individuals and companies complain a lot.

"Look at the successful companies, they go ahead and do things. They network and connect with others while our companies complain," he added.

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