

Jauhari likely to step down as MAS chief

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By Stephanie Jacob

Malaysia Airlines chief executive officer (CEO) Ahmad Jauhari Yahya's contract is not likely to be extended upon its completion in September 2014, say industry sources with knowledge of the matter.

It appears the decision is mutual between Ahmad Jauhari or AJ as he is popularly known and Khazanah Nasional Bhd (Khazanah) the airline's majority shareholder, they add.

Sources say AJ is unwilling to continue beyond his three year stint, while industry observers say Khazanah may need someone else to take MAS forward. This is prior to the MH370 incident and is more likely to be a result of MAS' financial results.

When appointed to the post in September 2011, AJ was tasked with engineering MAS' turnaround. However with the latest financial results for the 2013 financial year amounting to a net loss of around RM1.2 billion, it is time for someone new to take the helm, industry sources say.

The massive losses came although MAS successfully increased its passenger traffic for the year 2013 by 27%. This is likely to be an indictment of AJ's turnaround plan focused on a 'load active, yield passive' strategy, the sources add.

While Khazanah has so far not made any public comments regarding the MAS CEO's future, others have been more vocal in voicing their displeasure. AJ has come under criticism from MAS affiliated unions, with the National Union of Flight Attendants' (Nufam) being the latest to call for the MAS chief's resignation late last month.

Industry sources say that the fact that there was a significant increase in load, yet at the same time an almost doubling in losses showed that AJ's strategy has not borne fruit thus far.

While AJ has said that he believes that there is still a role for him to play in MAS future, he has so far not confirmed that this will last beyond his current contract period.

In response to a question at a media briefing yesterday, he said that it usually takes six months for an airline company to recover from an incident such as the MH370 one and that he believes that there much work to do.

But he further said that he believed that MAS can recover in a shorter period. Even if he were to remain with MAS for another six months, this will still coincide neatly with the end of his contract in September.

If indeed looking to make a change, sources analyzing the situation say Khazanah may not want to wait that long. However, in light of the recent MH370 incident Khazanah might find its hands are tied until September, or at least for the next few months.

Immediately before taking the reins at MAS, AJ was managing director (MD) and CEO of Premium Renewable Energy (M) Sdn Bhd.

An engineer by trade, he started his career with Ess Malaysia Bhd. He then went on to join The New Straits Times Press (M) Bhd where he rose to become the senior group general manager of production and circulation in 1990.

In 1992, he was appointed as the deputy MD and then subsequently made MD of Time Engineering Bhd that same year. AJ then served as the MD of Malaysian Resources Corp Bhd and Malakoff Bhd.

Attempts by KiniBiz to obtain comments from Ahmad Jauhari, MAS Corporate Communications and Khazanah were unsuccessful.

(Editor's note: This corrects an earlier version of the article which erroneously attributed parts of the report to Khazanah Nasional sources instead of industry sources. KiniBiz apologises for the error.)

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