

Not all 14,000 offered will get permanent contracts, says MAS CEO
The Malaysian Insider
June 1, 2015
By Muzliza Mustafa

Temporary job contracts will be given to some of the 14,000 Malaysia Airlines staff who will be offered re-employment with the rebranded national carrier, MAS Bhd, the company's chief executive officer (CEO) Christoph Mueller said today.

He said the move was to avoid having to do another reduction of staff numbers in time to come as the airline under goes restructuring to stem bleeding and revive growth.

"We want to play safe this time. A lot will be offered temporary job contracts but they can be gradually converted to permanent.

"We have to look at the depreciation of the ringgit against the US dollar and oil prices. I don't want to end up in a year with another headcount reduction if they (NewCo) does not develop as we would like it to be," Mueller said at a second press conference today at the NewCo headquarters in Sepang.

Mueller had earlier this morning met with Malaysian media to explain a three-year strategic plan to bring MAS back on course.

In the second press conference Mueller said he was not able to give the numbers of those who have been offered temporary contracts. He said the figure was "hard" to quantify as the process was still ongoing.

He said some of those who were offered reemployment might not accept the jobs and as such, a second round of letters would be sent out in about two weeks.

We need to buy better and cheaper. We have 13,000 vendors where in a normal scenario, it should only be around 2,000. - Christoph Mueller
Mueller added that the NewCo had been diligent in benchmarking its restructuring and job offers with other carriers.

"What we offer is within the industry standard," he said.

MAS today began sending out letters to some 20,000 staffs, terminating some jobs and offering reemployment to about 14,000 with the New Co.

The remaining 6,000 will have their services terminated in stages.

Mueller today said that NewCo was ready to embark operations soon with the old company preparing to cease operations.

"Everything will be in fact new. We have applied for a new airlines certificate, we have asked IATA (International Air Transport Association) to transfer the MH code.

"We are about to be capitalised today. We are looking closely into contracts and liabilities that we will take from the last company from the administration," said Mueller.

Mueller added that MAS had taken a hard beating not just in 2014 with the loss of two planes, and the first thing to do is for it to make changes – among them, reducing the size of its fleet, reducing flight frequencies and in some cases, abandoning routes altogether.

"The big idea is 20% cost reduction and for the cost restructuring, we need to buy better and cheaper. We have 13,000 vendors where in a normal scenario, it should only be around 2,000," he said.

MAS will from now on conduct procurements more professionally and with greater transparency, he said, with moves to revisit negotiation processes with leasing companies and providers.

Mueller said his inability to go deeper into more details on the restructuring today was because the briefing was intended to present a "prototype" of what the new MAS would be like.

"I cannot yet let you look under the bonnet. I can describe the car in the form and shape and basic performance data how new Malaysia Airlines will look like. Nobody is more interested than our competitors," he said. – June 1, 2015.

Copyright © 2015 Edge Insider Sdn Bhd

Source:

<http://www.themalaysianinsider.com/malaysia/article/not-all-14000-offered-will-get-permanent-contracts-says-mas-ceo>