

Dr Mahathir: No one forced Tajudin to buy stake in MAS

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■ **By Farrah Naz Karim**

farrah@nst.com.my

KUALA LUMPUR: Tun Dr Mahathir Mohamad yesterday denied allegations that he persuaded Tan Sri Tajudin Ramli to buy Malaysia Airlines (MAS) to help bail out the central bank.

The tycoon said in a counter-suit against the Government and Danaharta that he was instructed in 1994 to buy a stake in MAS at an inflated price to help the Government avert a financial crisis brought about by heavy losses in foreign exchange speculation.

Tajudin said he only agreed to buy the stake for RM1.8 billion because the then prime minister Dr Mahathir and former finance minister Tun Daim Zainuddin

assured Tajudin he would be absolved of all liabilities if the job of running the airline became too onerous.

He was also told that when the country's financial health improved, the Government would buy back the MAS stake.

Tajudin claimed he had to keep these backroom negotiations secret because the market would have been spooked if details were leaked out.

Dr Mahathir said he could not remember instructing Tajudin to buy MAS shares.

"The Government was not short of money... Yes, we lost some money from the central bank but we know what to do and how to recover and we did recover.

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Dr Mahathir

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"It is not because of his money and I don't remember asking him. Perhaps you should ask him how he came to the conclusion that I forced him to buy," he said after launching a book, *The Chinese Malaysian Contributions*.

Dr Mahathir recalled Daim telling him of Tajudin's intention to buy the MAS shares.

A condition was set that the sale would only go-ahead if the buyer had the funds.

The Government, he noted, rejected an initial proposal by Tajudin, then also Celcom chairman, to exchange the telecommunication company's shares for MAS'.

"You don't have the money, we don't give (sell MAS). So we said 'sorry, it is a no'. You want to buy, you pay. I don't ask people to do National Service."

Asked who set the RM1.8 billion price tag, Dr Mahathir said he was not involved.

Tajudin purchased a controlling stake of 29 per cent in Malaysia Airlines in 1994 from the central bank, paying nearly twice the market price for the carrier.

In 2000, the Government bought back the MAS shares at RM8 a share, 117 per cent over the market price. Tajudin said he was taking legal action because the Government allegedly reneged on an agreement to protect him from losses and liabilities.