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Finance Minister Lim Guan Eng says the government will not shut down Malaysia Airlines Bhd.

KUALA LUMPUR 13 March: Lim Guan Eng has given his assurances that the government will not shut down Malaysia Airlines Bhd.

The finance minister said the statement by Prime Minister Tun Dr Mahathir Mohamad on the national carrier in Parliament had been misunderstood and misinterpreted.

“Former prime minister Datuk Seri Najib Razak is not being fair to my prime minister. He (Dr Mahathir) spoke about the various options presented regarding Malaysia Airlines. He did not say he will close down Malaysia Airlines,” he said.

Lim was speaking to reporters after launching Bank Pembangunan Malaysia Bhd’s RM1 billion Sustainable Development Financing Fund.

In was reported yesterday that the government was looking into ways to resolve Malaysia Airlines’ financial conundrum with several options on the table, including shutting down the national carrier.

Dr Mahathir had said the matter was being discussed following heavy losses sustained by Malaysia Airlines since it was privatised in 2014.

He had been commenting on suggestions by several experts on the need to sell or shut down Malaysia Airlines.

In an immediate reaction, Najib had urged the government not to sell or shut down the airline. The former prime minister said Malaysia Airlines was the country’s pride and joy and must continue to be the national carrier.

Lim, in defending his boss, further said: “The former PM issued a statement as if we going to close down Malaysia Airlines. So, I hope we can look at what the PM said properly… we are not going to close down Malaysia Airlines. We want to give this assurance to the employees.”

Lim said Najib should not be allowed “to create or cause unnecessary disruption and anxiety”.

“My prime minister never said it (that Malaysia Airlines would be shut down) but the former PM wants to create an alarm,” he said.

It was reported that half of Khazanah Nasional Bhd’s RM7.3 billion impairments registered last year were from sustaining Malaysia Airlines.

Meanwhile, on Bloomberg news reports on the Malaysian economy, stock market and growth, Lim said what happens in the stock market was beyond the government's control.

“It is beyond our control… it depends as market fluctuations are normal,” he said, adding that other statistics should also be taken into account when reporting.

The minister brushed aside the report and urged the media to look at other positive fundamentals of the Malaysian economy.

Asked how strong the Malaysian economic fundamentals were and if it was resilient, Lim said: “Our fundamentals are sound. Our growth rate, exports are up and trade surplus is RM120 billion and this very encouraging.”

Bloomberg had reported that the euphoria following Malaysia’s historic election last May had faded, leaving its stock market as the only one in Asia in the red this year.

The benchmark FTSE Bursa Malaysia KLCI index has fallen more than one per cent so far in 2019, the only decliner in the region, while neighbouring Singapore has surged five per cent and Indonesia gained three per cent.

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