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Bernama - Up To Khazanah To Sort Out Malaysia Airlines' Quandary -
Tengku Zafrul

[Thursday, Oct 08 2020](#)

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Ministry of
Finance Malaysia
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KUALA LUMPUR, Oct 8 -- Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz has reiterated that the government will not pump in any more fund into Malaysia Airlines Bhd (MAB) and it is purely up to its sole owner, Khazanah Nasional Bhd to sort it out.

"We have consistently said that this is the matter where Khazanah have to involve.

"The Ministry of Finance (MoF) will not be injecting any (more) cash or capital into the airline through Khazanah... so Khazanah (as the sole owner) will have to undertake their own exercise to ensure the survival of Malaysia Airlines," he said on the BFM Radio's Breakfast Grille programme today.

Asked if the MoF will be giving any guarantees to MAB and whether the government will close down the airline, he said: "Right now we are not looking at any support from the government.

"It is up to Khazanah as the sole owner of Malaysia Airlines. I have never ever said to close down Malaysia Airlines."

Reuters on Wednesday reported that the parent of Malaysia Airlines, Malaysia Aviation Group (MAG), has warned leasing companies that Khazanah would stop funding the group, forcing it into a winding down process if restructuring talks with lessors are unsuccessful.

The warning from MAG, the holding company for the carrier, raises the stakes in negotiations for a financial shake-up known as "Plan A" and sets out an alternative plan to divert funds to a sister airline, Firefly, according to a letter seen by Reuters.

To recap, Khazanah was looking for a possible merger with other airlines, including with low-cost airline AirAsia, since last year, but to no avail.

The COVID-19 pandemic has literally brought down the aviation industry to its knees with various airlines globally shutting down or filing for bankruptcy as borders were closed and aircraft were grounded.

Meanwhile, Endau Analytics aviation analyst Shukor Yusof was quoted as saying that MAB should be disbanded as it could no longer be saved.

"Malaysia Airlines problems have run deep and difficult to repair. With the spread of COVID-19, the company's finances are becoming increasingly difficult to deal with.

"Since the MH370 and MH17 tragedies, Malaysia Airlines has had difficulty in improving their brand. The company's performance is declining and Malaysia Airlines has had legacy issues for many years.

"We have to accept that Malaysia Airlines has a big problem and in my opinion, we should dissolve Malaysia Airlines," he told Astro Awani.

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The airlines industry is expected to lose US\$84.3 billion in 2020 for a net profit margin of -20.1 per cent, while revenues will fall 50 per cent to US\$419 billion from US\$838 billion in 2019, according to the International Air Transport Association (IATA).

In its financial outlook for the global air transport, IATA said as for 2021, losses are expected to be cut to US\$15.8 billion as revenues rise to US\$598 billion.

"Financially, 2020 will go down as the worst year in the history of aviation. On average, every day of this year will add US\$230 million to industry losses. In total that's a loss of US\$84.3 billion," it said.

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