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PM: Proton must maintain identity amid trend of takeovers

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SHAH ALAM, Mon. - Prime Minister Datuk Seri Dr Mahathir Mohamad said Proton needed to maintain its national identity amid the trend of amalgamation and takeovers by international automobile manufacturers.

He said with the sale of Rolls Royce, Rover and Chrysler, the thinking of these players was there should only be five "really big players".

The Prime Minister, who announced the 1,000,000th individual Malaysian buyer of the national car - Yeo Eng Keat from Penang - said that as there would be attempts to take over smaller manufacturers, Hicom, which controls Proton, would have to take cognizance of the trend.

"The intention (of the global players) is for Proton to be absorbed as part of the production unit of the giant players. It will lose its national identity," Dr Mahathir said while commending Proton and EON for reaching the one million mark in a short period of 13 years.

Dr Mahathir told reporters afterwards that the managements of Malaysian companies needed to maintain their influence over their firms, adding that the trend of mergers and takeovers by giant establishments was pervasive, affecting other sectors of the economy, including food and banking.

In the case of the automobile industry, he said, Proton could be producing just components as a result of such a trend.

The Prime Minister said if there were moves to forge a partnership, the Malaysian identity must be protected.

DRB-Hicom chairman Tan Sri Mohd Saleh Sulong said the company had not received any official bids, when commenting on speculation that certain giant manufacturers, including General Motors, had expressed interest in the company.

Earlier, in his speech, Dr Mahathir said to compete globally in a market controlled by big players, Proton would have to find its niche with the help of companies like Mitsubishi - also considered a small player - and Lotus which had superior technology.

To do so, he said, it must be prepared to accept new technology.

Dr Mahathir said he hoped that in the future, Proton's exports would surpass the number of units sold locally. He envisaged a situation in which Proton produced a million cars annually, 900,000 of which were to be exported.

Proton's plant here has the capacity to produce 230,000 cars a year, a number which has since been scaled down to 120,000 as a result of the economic downturn.

It exported 27,000 cars last year and plans to increase the figure to 52,000 this year.

Dr Mahathir said the current economic problem was a blessing in disguise, similar to the situation when Proton cars were first produced in mid-1980s. The recession then had confined domestic sales to 25,000 cars a year due to limited purchasing power, forcing the national car manufacturer to seek markets abroad.

He believed there were still new markets waiting to be explored.

The 1,000,000th individual Malaysian customer emerged on May 14 with the selection done by computer and witnessed by EON's internal auditors, and external auditors from Price Waterhouse.

At the function, EON also honoured representatives from various organisations including Fomca and the National Press Club. The NPC was represented by assistant editor of NST Women's unit Muharyani Othman.

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