

03/06/1999

Ford could be US partner for Proton or Perodua

Zuraimi Abdullah

FORD Motor Company may be one of the potential American candidates to partner either Perusahaan Otomobil Nasional Bhd (Proton) or Perusahaan Otomobil Kedua Sdn Bhd (Perodua) to provide "extra strength" to the local automotive industry.

The possibility was strengthened by the fact that a senior Ford official had recently met with Proton representatives and toured the national car manufacturer's facilities. Ford country manager for Malaysia Richard Canny said Ford's Asia Pacific Operations group vice-president Henry Wallace was in Malaysia last week.

"Mr Wallace was here to review Ford's operations and the Malaysian market. As part of that visit, he met with representatives from Proton and toured their facilities," he said.

Canny was asked to comment on Prime Minister Datuk Seri Dr Mahathir Mohamad's statement on Tuesday that Malaysia was holding talks with several US car makers on possible tie-ups to boost the local industry.

Canny said: "We are interested in all business opportunities in Malaysia, but we cannot say anything specific at this point."

On whether Proton or Perodua had begun official talks with Ford and what was the subject of the discussions, he said: "We prefer not to discuss the topics they talked about at this point in time."

During the Prime Minister's visit to facilities operated by Toyota Motor Corp in Nagoya, Japan, Dr Mahathir said: "We are now talking to a few automotive companies from the US to boost our industry."

However, the Prime Minister did not specify which US car makers the country was keen on wooing or which local car manufacturers would be the ultimate beneficiary of the possible tie-ups.

Ford already has a presence in Malaysia through Amim Holdings Sdn Bhd, a 30:70 joint venture with Tractors Malaysia Holdings Bhd. Amim Holdings is the exclusive assembler and importer of several Ford vehicles such as the Lynx and Telstar cars, Explorer four-wheel-drive, Splash and Courier pick-ups, Econovan and Transit vans.

Besides an indirect relationship with Ford, Malaysia also has indirect ties with General Motors Corp through a locally-incorporated truck-making venture with Japan's Isuzu Motors Corp, which is 37 per cent owned by the US auto giant.

Additionally, Proton is part-owned by Mitsubishi Motors Corp although it has produced one model (the 1,100cc Tiara) with Citroen of France, while second national car manufacturer Perodua is affiliated with Toyota's subsidiary Daihatsu Motor Co Ltd.

The country also has a commercial vehicle venture with South Korea's Hyundai Motor Co and Renault SA of France, now affiliated with Nissan Motor Co Ltd.

Another venture with foreign parties is a motorcycle production - Motosikal Dan Enjin Nasional Sdn Bhd - with Japan's Kawasaki Heavy Industries Ltd.

Meanwhile, an analyst at a local securities house said that Perodua, instead of Proton or other local manufacturers, would likely be the party to directly collaborate with any of "the few American companies".

One reason was that since Proton was generally strong in terms of financial and technology capability, the need to have such a collaboration was not too critical.

But the situation was different at Perodua which seems to be having problems in particular financially, the analyst said, adding that the recent economic slowdown had worsened the company's situation.

"Perodua needs an extra strong hand to ensure it could survive and compete when the more challenging trading environment in the region takes place in about two years," he said.

(END)