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Ford keen on alliance with Proton: President

Zulkifli Othman in Detroit

DETROIT, Tues: Ford Motor Co, the world's number two carmaker, says it is keen to form an alliance with Perusahaan Otomobil Nasional Bhd (Proton).

Ford Motor president and chief executive officer Jacques Nasser said the company was always on the lookout for acquisitions and alliances that would help it achieve its global strategies.

"We are always interested. I don't think it is a matter of price but where (such an alliance) can fit into our strategy," he told visiting journalists at a dinner here last night.

A major slice of Malaysian national carmaker Proton may be up for grabs with Prime Minister Datuk Seri Dr Mahathir Mohamad having announced that up to 30 per cent of the company might be sold to strategic partners.

Currently, Japan's Mitsubishi Motor Corp and Mitsubishi Corp jointly own 16 per cent of Proton.

Nasser said an alliance with Proton is possible because "I can see some strengths in Proton, and it has some aggressive export strategies".

The Ford Motor strategy worldwide has been to identify strategic carmakers for equity participation and then build on their strengths.

The company acquired luxury marque Jaguar Cars Ltd in 1990, Swedish carmaker Volvo in 1999, and sports utility vehicle-maker Land Rover this year. It also owns Mazda and Aston Martin.

It was also in talks to acquire South Korea's Daewoo but has since abandoned the plan. Nasser said Ford Motor decided to end the talks because Daewoo's strengths did not fit in with Ford's global strategies.

Since Dr Mahathir said in London last month that the Government might allow foreign shareholding in Proton to be increased, speculation has been rife that one of the big three US carmakers would emerge as the national carmaker's new strategic partner.

Both DaimlerChrysler and General Motors have denied any discussion to acquire a stake in Proton.

Proton needs a strategic partner with global reach as part of plans to establish niche markets worldwide. The Waja passenger car, introduced last month, is the first model designed by the company from the ground up and will be aggressively promoted overseas.

A possible deterrent for foreign suitors is Proton's long-time partnership with Mitsubishi Motor Corp, but Nasser said that would not be an issue with Ford Motor.

"I know of the partnership. I am sure we can find a way... we can certainly sit down at the same table and talk," he said.

"Could you pass that on to your Prime Minister?"

Ford Motor officials said Proton is attractive to the US company because it is by far Asean's biggest car producer, and is also the only one with a research and development programme.

A tie-up with Proton could help Ford Motor consolidate its position in the potentially lucrative Asean region that represents a combined population of about 500 million and prospective car sales of 1.5 million units by 2003.

Ford Motor has manufacturing plants in Thailand and Philippines and operates an assembly plant in Malaysia under Ford Malaysia Sdn Bhd.

Nasser said his company will continue to expand operations in Asean to take advantage of tariff rollbacks under the Asean Free Trade Area programme.

Thailand would continue to be the major regional manufacturing centre for trucks and the Philippines for Ford's US line-up, he said.

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