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Proton: No definite plan to team up with GM

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PERUSAHAAN Otomobil Nasional Bhd (Proton) says it has not made any definite plan to form a strategic alliance in technology and product with the world's biggest carmaker General Motors Corp.

According to a wire report, GM said it had talked with the national carmaker on a possible tie-up. To which Proton responded with what is now a standard answer - that it has had discussions with several automotive manufacturers to explore strategic alliances but no definite decision has been made.

Bloomberg quoted president of GM Asia Pacific unit, Mr Rudolph Schlais, as saying in Bandar Seri Begawan yesterday that his company is in talks with Proton as GM looks to expand to Asia.

"We've had some discussions with Proton... Malaysia's market is a great opportunity," he said.

Proton chief executive officer Tengku Tan Sri Mahaleel Tengku Ariff recently said his company will consider any foreign partnership if the alliance makes commercial sense and provides value to the nation.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said that Malaysia may sell up to 30 per cent in Proton to foreign investors. The decline in global demand for cars has given rise to the need for global carmakers like GM, Ford, and DaimlerChrysler to look for new markets, he noted.

Ford Motor has a huge presence in the country while DaimlerChrysler is a major shareholder in Mitsubishi Motors, who owns 16 per cent of Proton.

Ford Motor president Jacques Nasser had also expressed interest in forming an alliance with Proton.

Proton does not rule out the possibility with working with any of these carmakers. Malaysia's vehicle market is expected to remain strong with more homegrown models being introduced. Proton is believed to be operating at near capacity currently.

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