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Talk of Ford-Proton tie-up resurfaces

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TALKS of global automotive manufacturers possibly forming tie-ups with Proton have resurfaced with Ford Motor Company said to be most likely the national car maker's new foreign partner in the new century.

It is believed that United States' Ford had fresh talks with Perusahaan Otomobil Nasional Bhd for possible tie-up to provide "extra strength" to Southeast Asia's largest car company.

Industry observers said Proton was now talking with Ford, thus continuing their negotiations which were first speculated to have started early last year.

They said officials of the world's second largest car company were believed to have made a visit to Proton's facilities in Section 26, Shah Alam several weeks ago.

Ford, also the world's largest lorry maker, currently has direct involvement in the domestic motor scene through a 30:70 joint venture with Tractors Malaysia Holdings Bhd called Amim Holdings Sdn Bhd.

Amim assembles and distributes various Ford models such as the Telstar and Lynx cars, Explorer four-wheel-drive vehicle, Ranger pick-up and Econovan and Transit vans.

An industry watcher said Proton was continuously in talks with Ford and other global players to put its competitiveness in a higher gear.

"They are constantly talking to global automotive players including Ford, Mercedes-Benz (owned by DaimlerChrysler AG) and Toyota with a view to increase their competitiveness and be able to compete at international level."

It could not be established whether the negotiations centred around the possibility of foreign parties buying an interest in Proton or merely forming technical or plain business collaboration.

Ford country manager Richard Canny had said in mid-1999 that Ford's Asia Pacific group vice president Henry Wallace was in Malaysia last May to meet Proton representatives.

Canny made the comment in light of Prime Minister Datuk Seri Dr Mahathir Mohamad's remarks that the country was holding talks with several US carmakers on possible collaboration to strengthen the domestic industry. While speculation about Ford's interest in Proton are not new, previous talks also linked the latter with the world's number one automotive company General Motors Corp.

GMC has indirect collaboration with Malaysia through its Japanese affiliate, Isuzu Motors Corp, which works with the DRB-Hicom group in the assembly of Isuzu trucks and four-wheel-drive vehicles.

It was reported late last year that Proton-owned British sports car company Lotus Group would be making a new two-seater model for GMC. Production of the car was due to start this year.

Proton's current foreign partners include Japan's Mitsubishi Motors Corp and Citroen of France.

Mitsubishi played a key role in the national car project from the very beginning, besides working with the DRB-Hicom group in vehicles manufacturing.

From the first Proton car - the Saga - which rolled out from the factory in 1985, all Proton past and current models including the Wira and Perdana are clones of Japanese makes.

However, Proton has strongly moved towards developing home-grown cars to

prepare for the more liberal automotive scene regionally as a result of the impending Asean Free Trade Area and multi-lateral World Trade Organisation.

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