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`We won't let Proton fall into foreign hands'

Fadzil Ghazali

AT LEAST three giant carmakers are keen to take control of and rope in Perusahaan Otomobil Nasional (Proton) Bhd into their stables but Malaysia is determined not to let this happen.

It is understood that the three automotive giants that have been wooing Proton to join them over the past few years are General Motors, Ford and Chrysler, all of the US.

At the Dewan Rakyat yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said the foreign companies claimed that there would be benefits to the people if Proton were in their hands as production costs would be lower.

"We are concerned that if they acquire Proton, they will turn our factories into mere assembly plants for their cars and not for Proton or national cars, like how they destroyed other car companies which competed with them in efforts to control the global market," he was quoted by Bernama as saying.

The Prime Minister was replying to a supplementary question from Datuk Dr Fadzil Noor (Pas-Pendang) at the Dewan Rakyat who asked whether other Asean countries agreed to Malaysia's proposal to postpone the opening up of the automotive sector under the Asean Free Trade Area (Afta) from 2003 to 2005.

Proton chief executive officer Tan Sri Tengku Mahaleel Tengku Ariff has repeatedly said the company will never sell the national carmaker to foreign entities due to national interests.

Such a bold statement makes sense as without Proton, Malaysia will always be at the losing end of being a car buyer while others with carmaking capability dictate Malaysia's automotive market.

Dr Mahathir said moves by foreign giant carmakers to take 100 per cent control of Proton are in fact part of their plans to have only five automotive firms from their countries controlling the global market.

As a result of this, small carmakers such as Proton will end up being destroyed by these giants due to failure to compete or being absorbed.

"We will not allow Proton to be taken over by anybody and be forced to buy (foreign) cars assembled by us," Dr Mahathir was quoted as saying by the national news agency.

To the original question on Malaysia's proposal to postpone the implementation of Afta, he said that all Asean countries have agreed to it as they now realise that globalisation can have adverse effects on all Asean countries.

"When we accepted and signed the Afta agreement, all member countries did not understand the dangers of a borderless world. Therefore, when Malaysia suggested the postponing of the Afta commitments, they all accepted, there were no objections from anybody," he added.

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