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PM: Proton to resist sellout

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SHAH ALAM, Thurs. - The Government will resist the sale of Proton stakes to foreign parties but may offer a portion if they truly can be good partners willing to share and transfer technology, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the national car manufacturer should resist selling if possible as it was the pride of the country.

"However, if we have to, it would not be a 100 per cent sellout," he said after a visit to the Proton plant here today.

Also present were Proton chief executive officer Tengku Tan Sri Mahaleel Tengku Ariff and Petronas president and chief executive Tan Sri Mohd Hassan Merican.

He said Proton would prefer instead to enter into a strategic partnership with companies that would be able to transfer their technology. "We want to have good technology partners," he said.

Dr Mahathir said most car manufacturers were being bought over by automotive "giants" and Malaysia would try its best to avoid a similar fate.

On whether Proton has plans for expansion, Dr Mahathir said it would depend on the demand for its cars. "I suppose if there is demand and Proton has to produce more ... anything is possible."

Asked when Proton would expand operations to the currently deferred Proton City in Tanjung Malim, Perak, Dr Mahathir said: "We are looking at it. If it is too congested here, we will go to Tanjung Malim."

Proton planned to build new car models at Proton City twice as fast as at its Shah Alam plant. But because of the economic crisis, the Government advised the national car manufacturer to defer the development on a 1,600ha site.

Tengku Mahaleel said Proton would look forward to move to Tanjung Malim especially with the coming up of new models.

Dr Mahathir said Proton has done extremely well since it produced its first car in 1985.

"From a car which was produced from 80 per cent foreign content, it is now designed and produced almost entirely locally by Malaysian engineers...I must say I'm very impressed by the progress."

He said the capacity of Proton had increased tremendously in all fields, especially since designing cars was not an easy task due to rapid changes in styles.

Dr Mahathir said there has also been vast improvement in production engineering, adding that Proton engineers were now very capable of rapidly learning and mastering the technologies and skills.

Asked on efforts by unions in the automotive industry to seek higher salary adjustments, the Prime Minister said there was no choice but to negotiate with them.

He expressed confidence that the unions were more understanding of the current economic situation and the difficulties faced by the Government to meet all their demands.

"I have close relations with them as I have had dialogues with them," he said, adding that the unions in Malaysia were very responsible.

Dr Mahathir said they did not resort to doing "foolish" things such as going on strike, which he said would only damage their future.

Earlier, he certified the 40,000th Proton Waja after visiting the new

medium volume factory that was built specifically for the production of the Waja.