

PROTON Holdings Bhd will not be rushed into signing up with any foreign partner, but will carefully weigh its options to ensure that the prospective suitor will bring benefit to the national carmaker, said adviser Tun Dr Mahathir Mohamad.

"Proton is viable, and we are not desperate to get a foreign partner like some Japanese or British carmakers," Dr Mahathir said, naming Mitsubishi, which signed up with a foreign partner because of financial difficulties.

Some companies had rushed into securing partnerships with foreign parties, and these had eventually resulted in failure, Dr Mahathir told reporters yesterday after launching Proton's new consumer magazine, *GUTS*.

Elaborating on the criteria for Proton's future partner, Dr Mahathir said the national car company would not take up a minority role in the joint-venture company. And, the partner must also have the engineering capability, marketing network and other characters that would help in the future development of Proton.

"If we take a minority share, they (the foreign partners) will not understand what we will plan for

# Proton in no rush for foreign partner

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Proton and eventually Proton will disappear," he said.

He added that Proton was not driven by the additional funds that would be available from partnerships with foreign parties because it was financially viable and had been profitable.

More importantly, the future partner must understand Proton's aspiration and help contribute to development of the national car, he said.

"They must understand that we didn't set up Proton because we wanted a national car. We wanted the engineering capability," he added.

Dr Mahathir said Proton needed more time to pick its partner because the automobile industry had changed considerably, bringing more challenges for Proton in the

future.

For instance, from a single line manufacturer, now carmakers outsource their components. Thus, Proton has to consider the impact of its partnerships on its suppliers before signing up with anyone.

Despite the delay in Proton signing up with a foreign partner, Dr Mahathir said it would be a matter of time before a deal was concluded.

Dr Mahathir also took a swipe at Proton detractors who had little faith in the development of the national car and always belittled efforts made by the company.

"People say all kinds of things about Proton, but the fact is Proton has been a success story for a government-owned company," he said, pointing out that although Proton had some government loans, it had excess cash of some RM2.6bil, which

could be used to develop its research and development capability.

He said Proton now sold cars to other countries, which reflected its capability. But it was not easy to market the car, which had only been 20 years in development.

"If people don't want to buy, they won't. You can't rush people into buying your product," he said.

Commenting on United States carmakers' unhappiness with the high taxes in the Malaysian market, Dr Mahathir said European carmakers did not have any problems with it.

"The German and French are here, and (US carmakers) should compete with them," he said, adding that automakers should not expect a government to remove taxes because it was the main source of income for governments.