

26/07/2005

MAHATHIR-PROTON

DR MAHATHIR NOT SURPRISED WITH TENGKU MAHALEEL'S DISMISSAL

By Siti Hawa Othman and Nor Hayati Muda

KUALA LUMPUR, July 26 (Bernama) -- Proton adviser Tun Dr Mahathir Mohamad saw it coming and was not surprised by the decision to end the tenure of Tengku Tan Sri Mahaleel Tengku Ariff as group chief executive officer of Proton Holdings Bhd.

He said he had suspected it for some time and this could have been because of the comments made by Tengku Mahaleel on Proton and the national automotive policy to the "Oriental Daily" newspaper.

"That could have been a good reason for dismissing him. I made the mistake of supporting him but he was not dismissed on that ground. But now this ground is perfect, no flaw at all, very legal and in accordance with the constitution and laws of the country," he said.

Dr Mahathir told a press conference here today that he was informed by phone yesterday by Proton Holdings chairman Datuk Mohd Azlan Hashim of the decision made by the board to end Tengku Mahaleel's tenure and had received a copy of the press statement made by the board this morning.

On the fact that he as an adviser was informed much later, he said: "I am not the British adviser where you have to tell him first (and) when he said no, you don't do but I am a Malay adviser, you tell (me) after."

When asked as to whether he would stay on as adviser, he answered: "Unless I am dismissed."

As to whether his views would be considered by the board after this, he said my views were nothing as an adviser.

"If they like my advice, they follow, if they don't like, they don't follow," he said.

Asked about his feelings regarding the whole matter, the former Prime Minister said what he felt did not make any difference to anybody but what would happen to Proton should be a concern of the whole nation because it was a national industry.

Dr Mahathir also regarded his position as adviser to companies and authorities as a national service and except for Petronas, he did not receive any pay for his job.

He is adviser for Proton, Petronas, Langkawi Development Authority and Tioman Development Authority but said only Petronas paid him RM15,000 (with RM5,000 deductible as tax) which he was not aware (at first) as it went straight into his account.

During the press conference, the former premier hinted that as far as he was concerned there was no failure on the part of Tengku Mahaleel which cost him his post.

He said the former chief executive officer (CEO) had built the capacity of Proton to such an extent that it impressed other foreign carmakers.

For example, he said Volkswagen had wanted the design work done by Proton because the design capacity and early development of the car in Germany was rather expensive and would have cost five times more than that done in Malaysia.

"It is amazing (such) capability of Proton under Tengku Mahaleel but maybe the board thinks the profit was not good enough so it should change for a better CEO who can make more billions. It is the right of the board to dismiss anything," Dr Mahathir said.

He said that he was quite sure Proton would be better under the new management.

Prior to his retirement at end September, Tengku Mahaleel would be

taking leave effective today.

Proton had appointed Datuk Kisai Rahmat, currently director of operations, and Datuk Kamarulzaman Darus, currently CEO of Proton Tanjung Malim Sdn Bhd, as joint chief operating officers to run Proton Holdings.

Dr Mahahtir said that among the reasons for ending his tenure was that Tengku Mahaleel did not agree with the inferior terms offered to him in renewing his contract with the company.

However, Dr Mahathir said that the CEO deserved to be paid more for good work done at Proton.

"For me, I don't expect (that). Look at the mess I left behind when I stopped being Prime Minister. Now the government got no money. I spent everything," he said.

He said that Tengku Mahaleel had rang him up to tell him what had happened and he sounded sad.

"He is very sad. He didn't cry but other people may cry because he is very manly. He is sad because he has great love for the work he is doing," he added.

As for Proton's direction after this, Dr Mahathir said those running Proton should know better than him as the removal of Tengku Mahaleel must result in improvement and pick-up in sales.

As to whether he was told of the successor, he said Azlan did mention something about headhunting but no names were mentioned.

Dr Mahathir said he was not championing Tengku Mahaleel but his concern was the national car which he had started before the CEO even joined the board.

"When you do something to build upon and it looks successful, you would want to see it successful. These boardroom politics which spilled over other politics with powerful hands which might be involved. But my concern is for Proton, the national project," he said.

He lamented that Malaysia was a Third World country but the national car was still around whereas others like MG Rover, Austin and Morris were already out.

He said Proton would end like that if not managed well but he said the board would find the best way for Tengku Mahaleel's replacement and perhaps pay his successor more for his brains.

As to whether a foreigner might run the company, Dr Mahathir said cynically that, "we have seen foreigners running Nissan. Actually Malaysians are not very capable, therefore we should get foreigners, including in running our country. We can have foreigners as Prime Minister, why not, if he has the brains."

He said Tengku Mahaleel was not an engineer but a historian, and therefore was not qualified to run Proton. "But how he managed to convince people how he could run Proton for seven years and make money, I don't know," he said.

As to whether Tengku Mahaleel would receive a golden handshake, Dr Mahathir quoted what was being said by Azlan that what had happened before he became the chairman was not his business, implying that Tengku Mahaleel's past service was not something he would look into despite having served for seven years.

He recalled that when Datuk Mohd Nadzmi Mohd Salleh left Proton after helming it for three years, he was given a golden handshake of RM1 million.

As to the impact the whole matter would have on the deal with Volkswagen, Dr Mahathir said the deals and cooperation might still improve.

And whether Tengku Mahaleel was against Volkswagen buying a stake in the national carmaker, he said Tengku Mahaleel did not say so.

As for his own views on this, Dr Mahathir felt that Proton should make an assessment whether it was a worthwhile proposal but maintained that he

was not against Volkswagen taking up a stake in Proton.

"I have no say. I am not in the government," he said, adding that Volkswagen was interested in having mutual cooperation with Proton which in turn could benefit the national carmaker.

He also said that many companies were interested in Proton but to remain a national car, Proton should always hold the majority shareholding so that it would not merely be assemblers.

Asked about the scrapping of the ringgit peg to the US dollar, Dr Mahathir said that the local unit was strengthening and that the people who decided on the new regime knew what they were doing. -- BERNAMA

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