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MAHATHIR-SUCCESSION

PROTON HAS CAPABLE PEOPLE TO BE ITS FUTURE LEADERS, SAYS TUN MAHATHIR

PUTRAJAYA, Feb 5 (Bernama) -- Proton has capable people who can eventually take over the leadership of national car maker from chief executive officer (CEO) Tengku Tan Sri Mahaleel Tengku Ariff, said company adviser Tun Dr Mahathir Mohamad here today.

"I notice that there are some very experienced people in Proton, who can take over from Tan Sri Mahaleel (when the time comes), he told a media conference at his office in Yayasan Perdana here.

He was responding to a question on whether Proton needs a leadership succession plan following reports that Proton wanted to replace Tengku Mahaleel.

"Nevertheless, the board is entitled to bring in somebody from outside," the former prime minister said.

Asked whether the government has made any decision to extend Tengku Mahaleel's contract which expires next month, the former prime minister said he did not know about it.

He gave a similar answer when asked about a report claiming that Proton Holdings Chairman Datuk Abu Hassan Kendut resigned early this week because of Dr Mahathir's alleged interference in plans to restructure Proton's management,

Dr Mahathir, who played a pivotal role in the setting up of Proton in the 1980s, said he only knew about the report when an Indonesian reporter asked him about it while he was visiting Tsunami-hit Aceh yesterday.

"I don't contact the Proton board (on the matter), I don't see why I should go and ask, are you angry with me, am I giving you a headache, are you resigning.

"I read the report in the newspapers. If they want to tell me then they can tell me, if they don't tell me also it does not matter."

On the same note, Dr Mahathir said he had never asked Tengku Mahaleel whether or not he wanted to stay on with Proton.

"He has been in contact with me because we were discussing several things. In fact I can tell you that I became a test driver for Proton's new car which will be launched early this year," he said in jest.

Meanwhile, touching on production, the former prime minister said that the current shortage of steel sheets may lead to some slowing down in the production of Proton cars.

"Even if you want to buy steel, you want to pay a high price, there's not enough steel to be bought," he said.

As for Proton's technical collaboration with Europe's largest automotive manufacturer Volkswagen, Dr Mahathir said it would not be jeopardised if Tengku Mahaleel left the company.

He also said that Proton had done reasonably well despite stiff competition from some foreign makes and little government protection.

He explained that the 300 percent excise duty imposed on high capacity engine cars was introduced well before the inception of Proton to deter people from buying petrol-guzzling cars and not meant to protect Proton.

It was also a source of revenue for the government, which needed money to run the country, Dr Mahathir said.

As for the competitive pricing of foreign cars, which are flooding the Malaysian market, he said: We are mystified how anybody can build a car and export it with a landed price of RM11,000 and even RM8,000. Impossible. This compares with the RM30,000 cost per car by Proton."

Nevertheless, he acknowledged that foreign car makers produced cars by the millions each year, thus giving them economies of scale.

Dr Mahathir also disclosed that Proton was shopping around for the best engines for its cars after a recent move to source engines from French car maker Renault. -- BERNAMA

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