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Partnership must provide strategic relevance, says Dr M

PROTON Holdings Bhd adviser Tun Dr Mahathir Mohamad says that any strategic partner for the national carmaker must be able to contribute either in terms of technology or the ability to bring down cost and penetrate new markets.

"A partner with advanced technology cannot guarantee it can help Proton. A small company can also help Proton," he told reporters after launching Proton's consumer magazine GUTS in Putrajaya yesterday.

"It's not the money, but it must be some strategic relevance," Dr Mahathir said when asked whether the potential partner should be strong financially.

He reiterated that Proton was not in a rush to rope in new technical partners.

"We don't have to be in a hurry (to find foreign partners). We need to evaluate things very carefully. If you get the wrong partner, you'll get into worse trouble."

Dr Mahathir stressed that Proton is a strong company and "it is not a cheap company that is about to die".

"We should give ourselves time to consider these things properly. There is no rush. No need to rush as Proton is still healthy. Proton is still viable, so we have to be selective."

Proton is currently in discussions with some prominent companies.

"There are still other proposals coming in, but we should give ourselves time to consider things properly, no rush," Dr Mahathir said.

On how close Proton is towards completing discussions with potential partners, he said: "Very close. They can't be very far, otherwise they can't talk."

He said he was hopeful that the deal could be concluded by the end of the year.

Dr Mahathir said Proton must not cede control to the foreign strategic partner, otherwise the latter would be dictating terms and may even ask the national carmaker to produce non-Proton cars.

He also said that if more Malaysians bought Proton cars and did not believe in rumours that the company was in trouble, then more foreigners would have a better impression of Proton.

Proton and Malaysia are the only company and country in Asia outside of Japan and South Korea with a full-fledged research and development (R and D) facility.

Chief executive officer Tan Sri Tengku Mahaleel Tengku Ariff said that R and D capability and the ability to locally design and manufacture had enabled Proton to venture into new businesses such as selling vehicle platforms, engines and engineering services, aside from selling cars.

"The idea of Proton is not about a car, it's about nation-building. It's about Malaysians learning high-technology, nationalism, being employed and able to challenge the best in the world."

Tengku Mahaleel said the misconception that Proton cannot deliver the products may be one of its biggest weaknesses.

"It is perhaps one of our biggest weaknesses because we do not go to town talking about it. We are basically a very poor salesman.

"Therefore, GUTS is a way of addressing this."

The quarterly magazine will be distributed at home and abroad to all Proton dealers, representatives as well as customers, shareholders and

investors.

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