

Najib: Proton partnership decision may be delayed
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Deputy premier Najib Abdul Razak today said the government may miss an end-of-March deadline to announce a partner for ailing automaker Proton.

"I cannot say for sure, I cannot say," Najib told reporters on the sidelines of a conference here, when asked if the March deadline would be met.

"We might miss it, but it doesn't matter," he was quoted as saying later by the state Bernama news agency.

The government in recent weeks has said it aimed to meet its own deadline, by the end of March, to name a strategic partner which analysts say is crucial to reversing the fortunes of the loss-making automaker.

Malaysia has already extended the deadline for a decision once, after saying last November it aimed to announce a partner by the end of January.

"We will stick to what we said earlier. Our target is still end-March," Second Finance Minister Nor Mohamed Yakcop was quoted as saying by Bernama late Tuesday.

Decision from top

Earlier, Azman Mokhtar, the managing director of the government's investment arm Khazanah Nasional, said any announcement on a delay would come from the top, because of its importance.

"It's a matter of national industrial policy, so it's gone all the way up to the prime minister himself, and in his capacity as finance minister, and the second finance minister as well," said Azman.

"The statement will come from either one of them first, I believe," he told reporters.

The government is under intense pressure to choose a strategic partner for embattled Proton, which has seen a sharp decline in sales due to increased competition from local and imported autos.

Azman said last week the government would make an announcement by the end of March, but said Proton was still trying to decide between foreign and domestic partners.

Prime Minister Abdullah Ahmad Badawi last week told CNBC television that Proton was in talks with Germany's Volkswagen AG, and would turn to US auto giant General Motors if those talks failed.

Three Malaysian automotive firms have also expressed interest in taking a stake in the company.

Proton's largest shareholder is Khazanah, which holds a 42.74 percent stake in the

company. State pension fund EPF and national oil firm Petronas own 12.07 percent and 8.84 percent respectively.

The remaining 36.35 percent is held by a mix of local and foreign companies.

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