

Mahathir tells Proton to look at India
Malaysiakini.com
Disember 28, 2010

Former premier Dr Mahathir Mohamad said national car maker Proton should leverage on India's low cost production to foray into the burgeoning automobile market.

India's automobile sector is gradually attracting world class players, all capitalising on India's insatiable demand for foreign models and cheaper production costs.

"Now there is scope for Proton to come here because we are not tied to any other (foreign) companies. Proton is free and can come here," Dr Mahathir, also Proton's adviser, told Bernama in Delhi.

It is a sunrise sector, with India's passenger vehicles segment in 2010 (April-August) seeing a 33.88 per cent growth compared to the same period last year.

India's passenger car and commercial vehicle production industry is world's seventh largest, with annual output of 2.6 million units in 2009.

In Asia, India takes prides in being the fourth largest exporter of passenger cars, after Japan, South Korea and Thailand.

The architect behind Proton, Dr Mahathir said the car maker is currently undergoing restructuring and once completed, it should be able to explore the Indian market.

In the past years, Proton attempted to enter the competitive Indian market, trying to marry with local car producers to expand its operations in the South Asia region, but deals failed to mature.

"Proton is presently restructuring and the trend now is green cars. Proton is now busy trying to develop hybrid and electric cars.

"When it has achieved some degree of competence, it may want to work in India. If we invest here, we can actually produce the cars here, firstly through assembly and subsequently by manufacturing, once we achieve the volume.

"Proton I think can compete with other cars because it can take advantage of the lower cost of (production) in India," he added.

Dr Mahathir and his wife Dr Siti Hasmah are currently on a private visit to India.

- Bernama

