

Is Proton facing unfair competition?

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By TigerTalk

KINIBIZ In all its travels and travails, Tiger has never come across a man such as former prime minister Dr Mahathir Mohamad. He should be given the dubious distinction of being the master of perverse logic, which is basically twisting arguments illogically around 180 degrees to claim the opposite of what is actually happening.

Being a natural cynic who doubts any innate goodness in man (hasn't Tiger suffered at his hands?), Tiger can understand that being a politician, a lower being than normal humans, may require one to call upon their baser side and their more nefarious talents in furtherance of less than noble causes.

If that seems confusing, Tiger apologises, for its purpose is to elucidate rather than confound even if Mahathir is doing that at the moment by claiming that the first national car manufacturer Proton Holdings, Mahathir's brainchild, is facing unfair competition.

NONE Unfair competition? Proton? Is Mahathir out of his mind? Well, let Tiger dig in with its claws and get to the heart of the matter and rip up his arguments with his teeth.

By now most Malaysians, barring Mahathir and his small band of cronies and supporters, would have realised that they are directly subsidising the substantial profits over the years of the national car manufacturers, and in particular Proton, the one which depends more on protection than its fellow national car rival Perodua.

It is a fact that without substantial tariffs imposed on its competitors Proton, to which Mahathir is an adviser since he stepped down as prime minister in 2003, would have long since gone bust. In fact protectionism has been extended for longer than intended - coming up to 30 years - and until today the national car industry is fighting hard to keep this protection.

Proton has had a chequered past. A more recent episode was the privatisation early last year of Proton to Syed Mokhtar Albukhary, a Mahathir crony already overburdened with a heavy slew of government projects and contracts. This privatisation was hailed by Mahathir who openly fawned over Syed Mokhtar's company DRB-Hicom, which took over Proton, describing it as a well-run and

capable company.

Those who know history know that's a lie. Like Proton, DRB-Hicom has a chequered and dubious past, owing its existence to government largesse, which once used national oil company Petronas to buy over Proton's stake to save DRB-Hicom's neck. And then after Syed Mokhtar gains control of DRB-Hicom, control of Proton goes back there.

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