

Gov't prefers foreign partner for Proton
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Malaysia prefers a foreign partner for national carmaker Proton because experience and expertise in the latest automotive technology is a priority, a report said today.

Finance Ministry secretary Hilmi Yahaya said the government had held talks with General Motors, PSA Peugeot Citroen, Volkswagen and Mitsubishi because of their vast experience in the auto industry, compared to local companies.

"The first choice of partner must have the expertise and technology that will help improve Proton as well as help open up a wider market," Hilmi was quoted as saying by state Bernama news agency during a parliament session.

Hilmi said the government is not considering local motor companies such as Naza, Perodua dan Inokom for now, as they were established after Proton and had lesser experience.

"The government is still talking to overseas parties, and it will only later consider any joint venture with a local company," he said.

Malaysia's government has been under intense pressure to announce details of a partnership for Proton in a bid to provide the ailing company with expertise to arrest a sharp decline in market share.

Negotiations with Germany's Volkswagen AG are ongoing, while US auto giant General Motors is also touted as an interested party.

Local firms Naza group, Mofaz group and DRB-Hicom have also offered to partner Proton. Analysts partly attributed the wrangling to the government's reluctance to cede control of a national company to foreign hands.

The government has so far missed two self-imposed deadlines to announce Proton's partner.
- AFP

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