

Proton still in talks with GM, Volkswagen
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Malaysia's struggling national carmaker Proton is still in talks with US General Motors and German's Volkswagen with no deadline set to conclude talks, a senior government official said yesterday.

"Talks (with GM) are still ongoing. Nothing has been finalised yet," the official, who is familiar with the talks, told AFP on condition of anonymity.

The government has been under intense pressure to announce details of a partnership for Proton with a foreign auto manufacturer to provide the ailing company with expertise to arrest a sharp decline in market share.

Proton's share price, which has dipped 17 percent this year, ended yesterday at RM5.50 (US\$1.6), down 1.79 percent.

The government has so far missed two self-imposed deadlines to announce Proton's partner, the latest of which was March 31.

The official declined to specify the areas that talks with GM were focused on, but said: "No deadline has been set for the negotiations."

Foreign partner preferred

The official also said that negotiations with German auto giant Volkswagen were still proceeding.

Previous talks with PSA Peugeot Citroen of France and Mitsubishi of Japan have been unsuccessful.

Malaysia has said it prefers a foreign partner for national carmaker Proton because experience and expertise in the latest automotive technology is a priority.

Three Malaysian automotive firms have also expressed interest in partnering the national carmaker, whose sales are sliding to due increased competition and poor models.

Proton posted a third consecutive quarterly loss of RM281.45 million (US\$82.75 million) in the three months to December compared with a net profit of RM86.51 million a year earlier.

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