

**Dr M: Proton-Perodua merger hard, but welcomed**  
**Malaysiakini.com**  
**August 17, 2010**

Dr Mahathir Mohammad, who inspired the establishment of Proton in the early 80s, has welcomed the idea of a merger between the national car manufacturer and second national car maker Perodua, but says it could be a difficult process.

NONEHe said this is because it involved two separate entities from two different countries and whether Proton Holdings Bhd and Perusahaan Otomobil Kedua Sdn Bhd (Perodua) would be willing to share trade secrets in the highly-competitive automotive sector.

"They are two different bodies. Proton is a national car company while Perodua is much more of a Japanese company, so whether the Japanese agree or not, is another matter.

"But, we would like to cooperate with these people in the same business as much as possible, and, if we should cooperate, there would be some savings in terms of people who are tasked to do specific things," Mahathir said when asked whether a merger between Proton and Perodua was possible.

He was speaking to reporters after witnessing the signing of the Proton-UTM Professorship Programme in Shah Alam today.

The first initiative, under the collaboration between Proton and Universiti Teknologi Malaysia, involves the attachment of a UTM professor with Proton for two years to strengthen the research capabilities of the national car manufacturer.

Mahathir, who is also Proton advisor, said if the merger goes through both parties can work and share their knowledge but there are certain things the parties involved would want to keep secret.

"Sharing information is always good for the people in the industry, but most industries tend to keep things close to their chest.

"They are not going to tell you their secret and we, of course, would not tell them the entire secret also. So, there must be a good balance and understanding on how much we can tell them and how much we must keep to ourselves," he added.

NONEProton's group managing director Syed Zainal Abidin Syed Mohamed Tahir said last Friday valuable feedback from discussions held between the company and Perodua on a possible merger would be forwarded to the government.

He said the government was expected to deliberate on the outcome before making recommendations to the cabinet by year-end.

Meanwhile, Perodua's managing director Aminar Rashid Salleh recently said the company welcomed any form of collaboration with Proton and believed both parties could collaborate in some areas.

"We welcome any form of collaboration with Proton. As you know, we are already a supplier of cylinder heads to Proton and we share some common vendors," Aminar was quoted as saying.

Founded in 1983, Proton was Malaysia's only carmaker until the establishment of its competitor and arch-rival Perodua in 1993.

Perodua, is a joint venture company between Malaysian and Japanese partners.

Khazanah owns 43 percent of Proton, making it the biggest shareholder, followed by UMW Corporation Sdn Bhd (38 per cent), MBM Resources Bhd (20 percent), Daihatsu Motor Co Ltd (20 percent), PNB Equity Resource Corp Sdn Bhd (10 percent), Daihatsu (Malaysia) Sdn Bhd (five percent), Mitsui & Co Ltd (4.2 percent) and Mitsui & Co (Asia Pacific) Pte Ltd (2.8 percent).

- Bernama

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.

Source : <http://www.malaysiakini.com/news/140338>