

**Proton's name will remain, promises PM**  
**Malaysiakini.com**  
**March 24, 2007**

The brand name of "Proton", Malaysia's ailing national carmaker, will not be wiped out amid negotiations on a possible merger with foreign partners, Prime Minister Abdullah Ahmad Badawi said.

"We cannot decide to forget the name Proton and to allow it to disappear," state Bernama news agency quoted Abdullah as saying during an interview with CNBC television late Friday.

"Proton is a national car. Proton is a brand," Abdullah stressed. He said a good foreign partner will help Proton develop in terms of models, engines and technology, Bernama reported.

Abdullah said while the government wants to see Proton become more competitive with a partner, it will insist on Proton maintaining its own brand name.

He said Proton is currently only in talks with Volkswagen but those if negotiations failed, Proton could begin talks with US auto giant General Motors, Bernama reported.

**Intense pressure**

Malaysian officials last week vowed to meet a deadline at the end of March to choose a strategic partner for Proton but said they were still mulling both local and foreign players.

The Malaysian government owns 59 percent of Proton, including a 43 percent stake held by its investment arm, Khazanah Nasional.

The government is under intense pressure to find a partner for loss-making Proton, which has seen a sharp decline in sales due to increased competition from local and imported cars.

Volkswagen, General Motors and three Malaysian automotive firms have expressed interest in taking a stake in the company.

Proton's market share has fallen sharply after the gradual removal of duties which has made imports more affordable while a persistent reputation for poor quality and unimaginative models besieged the carmaker.

Analysts say a foreign partner is vital to keeping Proton afloat but the government has been reluctant to cede control of the national company to foreign hands..

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.  
Source : <http://www.malaysiakini.com/news/64986>