

Sell Proton to the highest bidder
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An opposition leader has claimed that Prime Minister Abdullah Ahmad is confused over the status of the ongoing talks between national carmaker Proton and Volkswagen.

DAP secretary general Lim Guan Eng said such a confused state would not inspire confidence amongst foreign investors.

"The prime minister seems confused about the direction of such discussions when his announcement that talks with Volkswagen had ended was contradicted by Khazanah Nasional Bhd," he added in a statement today.

Khazanah has a 42.74 percent stake in Proton. One day after Abdullah's announcement that talks with Volkswagen had ended, Khazanah's managing director Azman Mokhtar said that the German carmaker was still keen in continuing talks with Proton over the potential linkup.

Lim said Abdullah's apparent state of confusion over the potential tie-up talks would also discourage financiers, customers and the public about the future viability of Proton.

He also urged the premier to set aside nationalistic sentiments and consider selling Proton to the highest bidder if efforts to forge strategic alliances fail.

"The government has to make a quick decision and cannot hold discussions forever with VW without coming to a decision," he said.

No new models

The national car-maker was also ridiculed for the delay in taking concrete steps to seal a deal with a foreign partner.

"Instead of making a decision, Proton has made a mockery of these deadlines by continuing such discussions with General Motors and Volkswagen," said Lim.

Although two deadlines had been imposed by the government on Proton's talks with foreign strategic partners, no deal has been reached.

Lim pointed out that the delay in solving Proton's woes will continue to cost the taxpayers money.

"The lack of exciting and saleable new models and Proton's intention to downsize its network of dealers nationwide by 20 percent from 293 in March to 227 by year-end has clearly marked out Proton to be a "sunset" business.

"Proton has carried out numerous rationalisation exercises including seeking RM26 million from the government to carry out its consolidation exercise by offering "relief assistance" to its car dealers to close their Proton dealerships to no avail," he said.

The government has been under intense pressure to announce details of a partnership for Proton in a bid to provide it with expertise to stem a sharp decline in market share.

Last year, Proton lost its status as Malaysia's biggest-selling automaker to homegrown rival Perodua.

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