

Proton: Gov't doesn't intend to divest to foreigners
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The government has no intention of divesting its equity in Proton Holdings Bhd as it does not want the national car manufacturer to be controlled by foreign parties, the Dewan Rakyat was told here today.

mca new cabinet member 180308 chor chee heung Deputy Finance Minister Chor Chee Heung (right) said Proton was currently negotiating assembly and product joint venture possibilities with several original equipment manufacturers.

However, he said the discussions did not involve equity participation but a strategic partnership to enable Proton become more innovative, domestically and internationally.

"It needs to be stressed here that future negotiations involving equity participation by foreign parties must be based on a win-win situation and take into account the interest of the automotive industry in Malaysia and on preserving the Proton brand," said Chor in reply to Mohd Azmin Ali (PKR-Gombak).

Azmin had asked the Ministry of Finance if the government had any intention of divesting its equity in Proton to interested parties besides upgrading the automotive industry's competitiveness in Asean.

Proton has improved tremendously

In a supplementary question, Mohamed Azmin also asked if the government would continue to inject funds into Proton in the name of "protectionism or nationalism" while the automotive industry had yet to contribute to national coffers.

proton satria neoChor said Malaysia's automotive policy varied compared with Thailand and the government was planning on ensuring Proton's success.

"It cannot be denied that many foreign companies operating in Thailand have been able to manufacture different makes of cars for the global market.

"But one must take into consideration Proton's original objective when it was established. We, at the Finance Ministry, have seen Proton's performance improve tremendously," he said.

Citing an example, Chor said Proton sold 153,000 Proton cars of all models domestically last year and exported 25,000 units overseas.

From the socio-economic aspect, Chor said Proton has achieved its objective as a majority of the low-income group were now able to own cars.

Industry to remain competitive

Besides, he added, the National Automotive Policy and the Third Industrial Master Plan had outlined the government's effort to ensure the automotive industry continued to remain competitive domestically and internationally.

Among steps taken include the establishment of the Automotive Development Fund to assist manufacturers, assemblers and component manufacturers improve output via easy loan schemes to rationalise their business, equipment manufacturing, higher productivity and increased exports.

He also said the government constantly reviewed current policies and took into consideration views and feedback from all in the automotive industry.

- Bernama

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