

Dr M: Purchasing Agusta was a very good decision

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KUALA LUMPUR: The sale of MV Agusta for €1 (RM4.40) was based on a poor understanding of the automotive industry, Tun Dr Mahathir Mohamad said yesterday.

The former prime minister said the board had wrongly decided that the acquisition of MV Agusta was a bad investment.

Dr Mahathir, who is Pro-

ton's adviser, said the decision had led to the Proton board losing the RM500 million paid for the stake in MV Agusta.

"But if you know the automotive industry, you would know that motorcycle companies have a lot of engineering knowledge."

He said Honda had started with a 50cc motorcycle.

"Today you know that Hon-

da is associated with some of the best cars in the world. So it is possible for motorcycle companies to contribute towards the development of motor cars."

Dr Mahathir said Proton had bought Agusta as an investment in a company that produced the best motorcycles in the world.

He said Proton was founded

as an engineering company, which was supposed to produce good engineering products.

"That is what Proton has done and the acquisition of Agusta is to me a very good decision. That decision was not made by the board or the CEO.

"It went through a tedious process of being studied by everyone, including Khazanah

Nasional Berhad, and they agreed that we should purchase Agusta."

On the National Automotive Policy, Dr Mahathir said: "As it is, the national car companies are already running at a loss. Now with prices going down, more loss is anticipated.

"Not only that, the roads will be more jammed than they are now."