

Proton needs a strong partner, says Najib

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PEKAN: Proton Holdings needs a strategic partner so it will have the combined might of two companies to face challenges in the highly competitive automobile market.

Deputy Prime Minister Datuk Seri Najib Tun Razak said that Proton was owned by the Government and it could not afford to see the company continue to incur huge losses.

"Proton must emerge as a successful company because it involves the country's image," he told reporters after launching the Armed Forces Career Expo in conjunction with Pekan Fest 2007 yesterday.

He was asked to comment on how long the Government had to support Proton, which had failed to meet its key performance indicators for the fiscal year ended March 31 (FY07) as revenue dropped 37% to RM4.9bil from RM7.8bil in FY06.

It posted a whopping net loss of RM591.4mil against a profit of RM46.7mil previously.

Najib also said that he believed that the top management was making efforts to turn the national car industry around.

Prime Minister Datuk Seri Abdullah Ahmad Badawi was reported to have asked Proton to

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DATUK SERI NAJIB TUN RAZAK

start talks with other carmakers on a partnership because Volkswagen AG was not interested.

Besides the German carmaker, US-based General Motors Corp and France's PSA Peugeot SA had in the past expressed interest but both later pulled out.

The government's investment arm, Khazanah Nasional Bhd, is offering its 38% equity in Proton for sale to save the carmaker from further losses, while local automotive companies who have been eyeing a stake in Proton include Naza Group, Mofaz Group and DRB-Hicom Bhd.