

NEW STRAITS TIMES

DATE: 22/11/2007

# Proton capable of strong turnaround, says PM

NST-22/11/2007

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SINGAPORE: Proton Holdings Bhd does not need a partner at the moment as it has shown that it is capable of a successful turnaround, Datuk Seri Abdullah Ahmad Badawi said.

The prime minister said the decision to call off talks with Germany's Volkswagen AG and the US-based General Motors Corp was agreed on by all sides.

"The idea is to give Proton a chance to turn around.

"The situation now is different than what it was two or three years ago.

"Proton was in a bad situation. Now, it is doing well (and heading) for a turnaround," he said at the end of the Asean summit and Asean East Asia summit here yesterday.

Abdullah said the government had asked Proton to have a turnaround programme similar to that of Malaysia Airlines in the interest of the public and investors.

Abdullah said that although there was a possibility of finding a strategic partner, this would only take place when Proton was "in a better position to be a good partner".

He said the national carmaker had secured agreements to export cars to China, India, Indonesia and the Middle East.

Proton, with 43 per cent government ownership through Khazanah Nasional Bhd, had earlier ended talks with General Motors on a strategic partnership.

At 4pm yesterday, Proton shares hit a seven-year low of RM4.06 following the government's an-

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nouncement that the national carmaker would not seek a foreign partner.

In a statement on Tuesday, Khazanah had said that Proton would not be seeking a foreign partner given an improvement in sales and exports.

Khazanah said the government was of the view that Proton's management should be allowed to continue with plans to strengthen the company and that the issue of a strategic alliance, if necessary, could be considered later.

According to a Bernama report, Second Finance Minister Tan Sri Nor Mohamed Yakcop had said that Proton did not need a foreign partner to stay afloat and would operate as a standalone entity for now.

He added that the turnaround at Proton in recent months was real with earlier assumptions that Proton needed a foreign partner to stay afloat no longer applicable.



Datuk Seri Abdullah Ahmad Badawi at the press conference yesterday. — Bernama picture

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