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Nadzmi: Create different type of hub

MALAYSIA must create a different type of hub rather than emulate what Thailand did to grow its motor vehicle industry, says Proton Holdings Bhd chairman Datuk Mohd Nadzmi Mohd Salleh.

He also feels that Proton must change its approach to car manufacturing to compete with the mass market volume players.

In his presentation at the seminar, Nadzmi said there was a window of opportunity in the mid-1990s for Malaysia to open up the industry to foreign players and become the "Detroit of South-East Asia", a distinction Thailand received after

attracting foreign players and growing its motor vehicle industry to become the largest in this region.

"In Thailand, they were treated at the same level," he said.

Nadzmi said he recommended that the Government open up the industry to foreign players as there was expression of interest from the big players to enter the Malaysian market.

Nadzmi said he felt the time back then was right for the Malaysian industry to open up and become a motor vehicle hub.

The national car project, he said, was meant to improve the localisation of the motor vehicle parts business in

Malaysia as protection of the industry was already established well before the national car project was born.

"We planned to make the car 10% cheaper than the most popular car," he said, adding that the yen's appreciation against major currencies in the late 1980s saw that gap widen.

Proton is going to face problems in terms of competing with the Toyotas of the world because its volume is not as large.

Nonetheless, Nadzmi said, the plan to enable Proton to compete in the future would be for it to get into other markets and design cars to the specifications of those countries.