

THE SUN

DATE: 18/8/2010

# Dr M hails merger idea

## > But the Proton adviser says an affiance with Perodua would be a difficult process

SHAH ALAM: Tun Dr Mahathir Mohammad, who inspired the establishment of Proton in the early 80s, has welcomed the idea of a merger between the national car manufacturer and second national carmaker Perodua, but says it could be a difficult process.

He said this is because it involved two separate entities from two different countries and whether Proton Holdings Bhd and Perusahaan Otomobil Kedua Sdn Bhd (Perodua) would be willing to share trade secrets in the highly-competitive automotive sector.

"They are two different bodies. Proton is a national car

company and Perodua is much more of a Japanese company, so whether the Japanese agree or not is another matter.

"But, we would like to cooperate with these people in the same business as much as possible, and if we should cooperate, there would be some savings in terms of people who are tasked to do specific things," Mahathir said when asked whether a merger between Proton and Perodua was possible.

He was speaking to reporters after witnessing the signing of the Proton-UTM Professorship Programme yesterday.

Mahathir, who is Proton

adviser, said if the merger goes through both parties can work and share their knowledge but there are certain things the parties involved would want to keep secret.

"Sharing information is always good for the people in the industry, but most industries tend to keep things close to their chest.

"They are not going to tell you their secret and we, of course, would not tell them the entire secret also. So, there must be a good balance and understanding on how much we can tell them and how much we must keep to ourselves," he added.

Proton group managing director Datuk Syed Zainal Abidin Syed Mohamed Tahir said last Friday valuable

feedback from discussions held between the company and Perodua on a possible merger would be forwarded to the government.

He said the government was expected to deliberate on the outcome before making recommendations to the cabinet by year-end.

Meanwhile, Perodua's managing director Aminar Rashid Salleh recently said the company welcomed any form of collaboration with Proton and believed both parties could collaborate in some areas.

"We welcome any form of collaboration with Proton. As you know, we are already a supplier of cylinder heads to Proton and we share some common vendors," Aminar was quoted as saying. - Bernama