

Newspaper	NEW STRAITS TIMES
Date	7 FEB 2015

Proton to help build Indonesia's national car

NST-7/2/2015

SHAH ALAM: Proton will help develop and manufacture Indonesia's first national car.

Yesterday, the national carmaker signed a memorandum of understanding with Indonesian company PT Adiperkasa Citra Lestari to undertake a six-month feasibility study, after which it may sign another agreement to proceed with the project.

The landmark deal was one of the major breakthroughs in the maiden visit of Indonesian President Joko Widodo following bilateral talks with Prime Minister Datuk Seri Najib Razak last year.

Former prime minister and Proton chairman Tun Dr Mahathir Mohamad hailed the deal, saying it was part of efforts to realise the Asean car project mooted by Malaysia as Asean chairman this year.

"This project would not only benefit Indonesia, but the Asean region as a whole," he said.

Joko and Najib witnessed the MoU inked between Proton chief executive officer Datuk Abdul Harith Abdullah and Adiperkasa chief executive officer Abdullah Mahmud Hendropriyono.

Earlier, Joko was taken on a tour of Proton's plant and its research and development facility. He was also taken for a test drive by Dr Mahathir in a Proton Iriz.

"We would like to use this joint venture to expand the Asean car. However, to realise this, we need to have the consent of other Asean countries as well as opening ourselves to investment by them, so that they will have ownership of the car," said Dr Mahathir.

Under the MoU, a feasibility study would be conducted for six months to explore the viability of the project, leveraging on Proton's 30 years of experience and expertise.

Dr Mahathir said Proton had not decided on using any of its models

for the Indonesian national car, adding that this was why the study was crucial.

"Unlike Malaysia, pick-up trucks are in high demand in Indonesia. We have also identified several models in Proton's line-up which can be attractive for the Indonesian market."

Proton, he said, would immediately start training Indonesian workers and transferring the technological know-how.

Dr Mahathir said the automotive industry in Indonesia was growing fast with car production of up to 1.4 million units and projected to reach four million in the near future.

The MoU is only an expression of the current intention of the two parties and is not binding.

Adiperkasa is a private company backed by the Indonesian government and was set up to manufacture the country's national car. **Additional reporting by Muhammed Ahmad Hamdan**