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Maximising Proton's volume potentials

FROM P1 Proton

"We look forward to the collaboration as it provides the opportunity to tap into each other's strengths which can result in the maximising volume potentials, reducing of development lead time and expediting the time-to-market for both companies," said Abdul Harith.

The signing ceremony was held at the Proton Centre of Excellence facility in Shah Alam.

Abdul Harith signed on behalf of Proton while Suzuki was represented by its chairman and CEO Osamu Suzuki. DRB-Hicom was represented by its COO, automotive distribution and marketing, Datuk Radzaif Mohamed.

The signing was also witnessed by Minister of International Trade and Industry Datuk Seri Mustapa Mohamed and Japan Ambassador Makio Miyagawa.

The Japanese carmaker has presence in 13 countries, operating and selling three million cars annually.

Proton signed a preliminary agreement with Indonesia's PT Adiperkasa Citra Lestari to help the latter develop and

manufacture Indonesia's national car in February this year.

Both parties will conduct a six-month feasibility study before inking a definitive joint-venture agreement.

Early this year, the Malaysian Automotive Institute predicted auto sales will hit the 700,000 mark in 2015, a 5.1% increase on the 2014 roll-out.

According to news report, for 2014, the total industry volume rose 1.5% year-on-year with 665,675 units compared to 655,793 vehicles in 2013.

The market was led by domestic producer Perusahaan Otomobil Kedua Sdn Bhd, or Perodua, with sales of 195,000 units, followed by Proton with 115,000.

However, market research firm Frost & Sullivan predicts a lesser 3.15% increase in sales for this year.

Frost & Sullivan sees the small and compact car segment to lead growth due to factors such as fuel price volatility, the implementation of the Goods and Services Tax and the higher cost of living.

It finds consumers would likely move to the fuel-efficient compact segment.