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Seated from left: Suzuki Motor Corp Japan chief executive officer (CEO) **Osamu Suzuki**, Proton Holdings Bhd CEO **Datuk Abdul Harith Abdullah** and DRB-HICOM Bhd chief operating officer, automotive distribution and manufacturing **Datuk Radzaf Mohamed** during signing of the Memorandum of Understanding and Licence Agreement yesterday. Witnessed the signing was International Trade and Industry Minister **Datuk Seri Mustapa Mohamed** (second from right) and Proton chairman **Tun Dr Mahathir Mohamad** (second from left). Pic by Intan Nur Elliana

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## Suzuki tech for Proton compacts

### RUPA DAMODARAN

**SHAH ALAM:** National carmaker Proton Holdings Bhd will make its foray into the compact car market as early as 2016 once it sorts out details with Suzuki Motor Corp, one of Japan's top carmakers.

Proton chairman Tun Dr Mahathir Mohamad said the initial stages of the joint arrangement would focus on the existing Suzuki models before working jointly on developing new vehicles in the future.

"Suzuki has the technology for compact and small cars and such a cooperation will benefit Proton as we don't have vehicles in that niche segment," he said, adding that Suzuki chairman Osamu Suzuki had also expressed his desire to work with Proton.

Dr Mahathir was confident that

this strategic partnership would be a better bite for the national carmaker, unlike previous proposals with Nissan or Youngman Automobile from China.

"As executive chairman of the company, I will make things happen," he said at a media briefing after Proton and its parent company DRB-HICOM Bhd signed the agreement with Suzuki for the long-term collaboration.

The first phase of the project is scheduled to start production at the Proton Tanjung Malim plant.

"We're working out details to ensure what we produce do not compete with Proton cars and also not compete with Suzuki," Dr Mahathir said.

On whether the project would mean competing with Perodua, the other national carmaker, in the compact car segment, he said: "We have

been having cars of more than 1,000cc and we left the compact cars to the other companies. But we feel there is a market for these in Malaysia."

He also pointed out that despite the competition, the market share of the national car companies has plunged from 84 per cent to 48 per cent now.

On whether the collaboration entailed an equity participation by the Japanese car giant in Proton, Dr Mahathir said it was a possibility.

According to Proton, the collaboration will see all three parties working together to rationalise Suzuki's presence in Malaysia within one year of the signing.

Currently, Suzuki operates through its co-owned subsidiary Suzuki Malaysia Automobile Sdn Bhd, which is owned by DRB-HICOM (40 per cent), Suzuki (40 per cent) and Itochu Corp (20 per cent).