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# Political meddling in Proton over: PM

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> Company's strategy and management affected by Dr M's interference: Najib

BY RAJVINDER SINGH  
newsdesk@thesundaily.com

**PUTRAJAYA:** The era of political interference in Proton Holdings Bhd has come to an end, said Prime Minister Datuk Seri Najib Abdul Razak.

He said there had been too much interference not only in the company's strategy and management but also over its personnel and business model.

"Tun Dr Mahathir Mohamad's era of political interference has come to an end," he said.

The former premier decided to resign as Proton chairman on March 31, ending his long-held link with the national carmaker which he helped to establish.

Najib said the special taskforce that has been set up to help Proton would only be responsible at looking for a strategic partner and it would no way be involved in the day-to-day running of the company.

He pointed out that there had been significant changes at the top level of Proton and they have the duty to ensure it has a sustainable business model.

He said the government has injected about RM1.4 billion into Proton since its inception in 1983 and the RM1.5 billion loan given to Proton recently has been on the promise that the structural flaws within the company will be addressed.

He pointed out that Proton had set up two production plants capable of producing 400,000 cars a year but last year it only made 106,000 cars.

"Some of Proton's problems go back a long way. The question has been asked if the



Najib and International Trade and Industry Minister Datuk Seri Mustapa Mohamad getting a feel of the new Proton Perdana as Proton chairman Datuk Seri Syed Faisal Albar (left), International Trade and Industry II Minister Datuk Seri Ong Ka Chuan (right) and deputy chief executive officer of Proton Datuk Md Radzif Mohamed look on.

business model was flawed from the start. Malaysia, some said, was not a large enough market for a national car manufacturer.

"Proton flourished, yes, but only due to a very high level of government help. Our car industry grew under the umbrella of protectionism, with quotas on engine sizes and Malaysians paying high import duties on foreign cars," he said at the launch of the fourth generation Perdana.

Najib said there was a belief that Proton could do anything because the government would always back it.

The prime minister said the government was more than willing to work hand in hand with the private sector to promote enterprise, development and the growth of businesses.

He added that if the government supported local companies then there would have to be results.

"We cannot put the people's money into ventures that cannot support themselves," Najib said.

He added that the government was forced to step in to protect Malaysian jobs, to protect Malaysian families who rely on Proton and to protect the company's business partners' income and livelihood.

He said Proton must now deliver cars that meet customers' requirements.

Proton said so far it had received 900 bookings and the company expects to sell around 3,000 units of the new Perdana model.

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