

Newspaper	THE STAR
Date	7 APRIL 2016

Mahathir explains why he quit as Proton chairman

The Star - 7/4/2016

PETALING JAYA: Tun Dr Mahathir Mohamad said he resigned as Proton chairman and that he was not expelled, as the company “seems to be having difficulties with the Government”.

“I was not expelled by the Proton management or owners. I decided on my own, for the sake of Proton I should leave. I, therefore, have no grudge against Proton nor do I want it to fail after I left.

“This is because Proton seems to be having difficulties with the Government and for some unknown reason, sales of Proton cars have plummeted.

“I know I am *persona non grata* with the Government. I do not want to be the cause of Proton’s inability to recover because of my presence,” the former prime minister said on his blog *chedet.com*.

Dr Mahathir said previously, the

Government’s policy was to encourage local content and all cars manufactured or assembled in Malaysia were entitled to rebates on excise duty based on the percentage of local content.

“Most foreign cars assembled in Malaysia have 30-40% local content. Proton has almost 90% local content. Therefore, the rebate for Proton is higher. It is not a privilege for Proton alone.

“All foreign and local cars enjoy this privilege. Local content increases the cost of producing the car. This is because the deletion allowance by the foreign company is invariably lower than the cost of the local component,” he said.

Dr Mahathir also said Proton had contributed more funds to the Government than vice versa.