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Proton zooms into new era

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CHANGE: Najib says national carmaker had been plagued by political interference

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PROTON Holdings Bhd, which has broken away from Tun Dr Mahathir Mohamad's political interference, is set on a new era of innovation and growth.

Prime Minister Datuk Seri Najib Razak said the national carmaker had been plagued by heavy political interference in its strategy and business model as well as management, including of its personnel.

"We saw the results of that, early this year. A manufacturer, which should be a source of national pride, facing a very difficult situation. The government stepped in again to protect Malaysians and Malaysian families who rely on Proton, and to protect the company's business partners' income and livelihood.

"We stepped in because the well-being of the people is always our main concern. We will never fail to support Malaysian workers and suppliers, and will always ensure that no one is left behind.

"Now, I am pleased to say that there have been significant changes at the top levels of Proton. Tun Mahathir's era of political interference has come to an end," he said at the unveiling of Proton's re-

entry into the D-segment market with the 2.0L and 2.4L variants of the sophisticated yet sporty fourth generation Perdana.

Present were International Trade and Industry Minister Datuk Seri Mustapa Mohamed, Proton chairman Datuk Seri Syed Faisal Albar, Proton chief executive officer Datuk Ahmad Fuaad Kenali and Second International Trade and Industry Minister Datuk Seri Ong Ka Chuan.

Noting that the government had approved a RM1.5 billion soft loan for Proton in April, Najib reiterated his commitment to protect the company's workers and suppliers.

However, he made it clear that he expected Proton to address structural flaws in the company.

"The urgent need for the cash injection laid bare the fact that there are serious structural flaws in Proton. Some of these go back a long way. The question has been asked if the 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."

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

"But if the government supports industries and companies, there have to be results. We cannot put people's money into ventures that cannot support themselves."

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