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PM: New model a turning point

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BACK ON TRACK:

Perdana model can return carmaker to its glory days, says PM

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PRIME Minister Datuk Seri Najib Razak yesterday expressed hope that the launch of the all-new Proton Perdana could usher in a new era of innovation and growth that is free of political interference for the national carmaker.

He said the new model could be the turning point for Proton to return to its glory days when it controlled 74 per cent of the domestic automotive market share more than two decades ago. The number has dwindled to about 18 per cent today.

He said Proton flourished in the past due to a high level of government help, aided by protectionism.

"The protectionism offered to Proton led to a belief that the company could do anything because the government would always back it," he said at the launch of the new model at the Putrajaya International Convention Centre here yesterday.

"The country's car industry grew under the umbrella of protectionism, with quotas on engine sizes and Malaysians paying high import duties on foreign cars."

Najib said the latest changes in Proton, which saw the departure of former prime minister Tun Dr Mahathir Mohamad as chairman, signified an end to the latter's era of political interference.

Prior to his chairmanship, Dr Mahathir was Proton adviser.

Najib said the launch of the new



Prime Minister Datuk Seri Najib Razak at the launch of **Proton Perdana's new model** at the Putrajaya International Convention Centre yesterday. With him is Proton chairman **Datuk Seri Syed Faisal Albar**. Pic by Fariz Iswadi Ismail

model symbolised the government's determination to help the company get back on track.

He said moving forward, Proton needed to have a sustainable business model and should immediately identify a strategic foreign partner to put itself back on track and reposition itself as a strong player in the automotive industry.

Najib said the RM1.5 billion loan approved by the government for Proton Holdings Bhd was not a blank cheque.

"The urgent need for the cash injection laid bare the fact that there are serious structural flaws in Proton. Some (flaws) go back a long way.

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

The company, Najib said, must

prove itself in the domestic and international markets.

He said the government had provided grants, assistance and tax exemptions to Proton to the tune of nearly RM14 billion since the company was established in 1983.

"Ultimately, Proton must build a strong export programme and become less reliant on Malaysian buyers."

He said the 900 units of Perdana that were pre-booked before the launch reflected the people's confidence in the model and their desire to see Proton succeed.

"I am looking forward to getting behind the wheel myself," he said to thunderous applause from the crowd.

In April, the government approved Proton Holdings' application for a soft loan of RM1.5 billion, subject to conditions.

The conditions include requiring Proton to formulate a new, sustainable business model, a turnaround plan for the company and a strategic plan to expand the domestic and international markets.

Najib said the government was willing to work with the sector to promote the enterprise, development and growth of businesses.

"We all want Proton to succeed again. This is why the company will be assisted by a newly-formed special task force to meet the government's conditions (for the loan)."

The task force will be headed by Performance Management and Delivery Unit chief executive officer Datuk Seri Idris Jala.

However, Najib said, the role of the task force would be limited to identifying a strategic foreign partner, as well as monitor and oversee the turnaround process.

"We have learned from Proton's past. So, the task force will not interfere in the day-to-day operations of the company."

Priced at RM113,888 for the 2.0L variant and RM138,888 for the 2.4L variant, the new Perdana comes in six colours — Ruby Red, Sterling Silver, Graphite Grey, Cotton White, Midnight Black and Citrine Gold.

The Perdana, now in its fourth generation, was developed via a strategic collaboration with Japan's Honda. The remaining models will be launched this year.

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