

Mahaleel did right, says Dr Mahathir

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KUALA LUMPUR, Tues. — Proton adviser Tun Dr Mahathir Mohamad has once again publicly come to the defence of the national car company's CEO, Tengku Mahaleel Ariff.

He defended Mahaleel's decision to go to the Press with his grievances without resorting to normal channels, adding that recent allegations against the car manufacturer had undermined Proton's credibility and its sales.

"A good CEO must defend, even the chairman must defend, but if the chairman thinks that it is better to find some other ways to correct this, fine," he said.

Asked whether Mahaleel was justified in making statements to the Press, the former Prime Minister said: "Yes. He is duty-bound to correct misinformation."

Dr Mahathir traced the origins of the national car and several decisions that were made during his tenure to protect the local automotive industry.

He said Mahaleel decided to go to the Press because criticism levelled at Proton had received widespread Press coverage.

"And if you whisper quietly to somebody, and it is not reported in the Press, the people will not know that what was said was not true," he said.

He cited as an example a report that only 7,000 cars

Proton cars were exported, and added that the correct figure was 17,000.

Asked whether he had spoken to Mahaleel over reports that the Proton board had sought an explanation over his Press statements, Dr Mahathir said: "Yes! He is, of course, agitated. His face, his picture looking very worried and the list of his misdemeanours were published in the *New Straits Times*. It seems unfair to treat people like that.

"He has no means of redress. I have spoken to him to find out details about what he said," Dr Mahathir told a Press conference called at the 41st floor of the Petronas Twin Towers.

He said as far as he knew, Mahaleel had not been asked to leave the company.

"At the moment, he is still the CEO," Dr Mahathir said.

Several newspapers re-

ported on July 1 that Mahaleel was in hot water again after the company's board of directors called an emergency meeting to discuss an interview he gave a Chinese daily two days earlier, in which he was critical of the Government's automotive policy.

In the *Oriental Daily* interview, Mahaleel lamented the "poor treatment" Proton was receiving from the Government. Ironically, the Government is the major shareholder in the company, via Khazanah Nasional.

Dr Mahathir said Proton had given the Prime Minister and the Cabinet a full briefing on Proton.

"And the remarks made by the Prime Minister and the ministers about Proton were very, very positive. The negative things came much later. For example, the Cabinet reiterated that the objective

is not just to produce components and assemble cars.

"The objective is to produce our own cars, that is, to increase our engineering capability. That, I think, is still the Government's objective. I have a duty to protect Proton's image. Harping about its poor quality and therefore that it is not selling, is grossly unfair to Proton," he said.

Asked about his discussions with Proton chairman Datuk Azlan Hashim yesterday, Dr Mahathir said since he was away when the furore began, he wanted to find out the actual situation.

As the new chairman, Azlan, wanted to institute some changes, Dr Mahathir said that as adviser he wanted to know the background for the changes.

"I accept my advice may be rejected. But it would be wrong not to ask advice because if you don't, it may result in a lot of unnecessary bickering in the company," Dr Mahathir said.

He admitted that among the changes proposed were that the CEO, who reported to the Proton board, should not hold the chairmanship of some of Proton's subsidiary companies, and added that he was looking at whether such a practice was common among other companies before giving his feedback to the board.

He stressed that it was important for a company like Proton to have a CEO with an engineering background to run it.



Why is there a small number of companies getting such a big number of APs?

with the country's Bumiputera policy to give a small number of people such a big opportunity.

"It must have netted the 20 companies millions of ringgit," he said.

Stressing that it is a problem that needed to be looked into, he said, the whole idea of APs was to enable Bumiputera businessmen to develop into real auto dealers, not merely selling APs.

Dr Mahathir, whose brainchild it was to start the national car, said another factor that has undermined Proton sales was the import of cars particularly from South Korea and China, where completely-built-up (CBU) cars have a landed price of only RM11,000.

He questioned how cars from these countries could land at such low prices.

term products with 40 per cent local content as 'national' products was made by the minister concerned and not the Cabinet.

"The Cabinet didn't know until we were told about it. And, of course, we had to back the decision because it was a commitment made by a responsible Minister.

"Unfortunately, our automotive industry has advanced to a stage where more than 80 per cent of the contents are local. And because of that, our cost is much higher.

"We have a distinct disadvantage and because of that we had to request that the application of this agreement be postponed by two years, creating a lot of problems because our partners in the Asean Free Trade Area, were not happy."