

**Proton In Collaboration Talks With Mitsubishi
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KUALA LUMPUR, Sept 15 (Bernama) -- Proton Holdings Bhd and Mitsubishi Motors Corp (MMC) are in serious and detailed discussions on forging strategic collaboration to further strengthen their global competitiveness.

Proton managing director, Datuk Seri Syed Zainal Abidin Syed Mohamed Tahir, said the areas being considered were joint production of engines, consignment production of MMC brand vehicles at Proton facilities and technologies provision such as electric, plug-in hybrid and hybrid vehicle technology.

The carmakers would also share major parts and components between MMC's "Global Small" which would be launched in March 2012 in Thailand and Proton's upcoming "Global Small Car", he said.

Speaking at press conference here Thursday, Syed Zainal said the latest discussion aimed to achieve another win-win relationship where MMC would be able to expand its presence in the Asean market and Proton expanding its line-up and make effective use of its production facilities.

"The collaboration, which will primarily focus on powertrain joint venture, will see both companies working together to produce a variety of engines at competitive costs with flexibility to use in any market," he said.

Proton could tap MMC's existing supply in global markets and co-invest in powertrain plants, he said.

Syed Zainal said besides the proven MMC engines, this would reduce development time, minimise investment and provide economics of scale with joint volumes.

Meanwhile, strategic collaboration such as utilisation of Proton's existing manufacturing facilities will increase capacity utilisation of its existing plants, and therefore reduce unit cost.

It will also bring in additional revenue for Proton.

Co-utilising products and platform as well as joint component sourcing on the other hand, will stretch commercial value of Proton products, improve economies of scale as well as reduce the component cost.

Proton and MMC had jointly proceeded with feasibility studies since late 2010 and had identified the areas of collaboration that could be expected to provide both parties with the right synergy in the pursuit of global competitiveness.

The cooperation has proven to be a long lasting business affiliation since their first collaboration 26 years ago.

Currently, under a licensing agreement, Proton produces 'Inspira', a four-door sedan model based on MMC vehicle.

Both companies had signed an agreement in December 2008 on the development and production of new vehicles at Proton.

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