

AT THE DEWAN RAKYAT: Proton will still get govt funds

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AUTOMOBILE INCENTIVES: DRB-Hicom takeover not an issue, says Mustapa

PROTON Holdings Bhd will continue to receive research and development grants despite the takeover by DRB-Hicom Berhad.

International Trade and Industry Minister Datuk Seri Mustapa Mohamed said the same incentives were given to other automobile companies based on the types of projects proposed and whether the companies fulfilled the criteria set by the ministry.

"Whether or not Proton receives research grants has never been an issue," he said in reply to Khairy Jamaluddin (BN-Rembau) at the Dewan Rakyat.

Khairy had asked Mustapa to state Proton's direction and future strategy after DRB-Hicom's purchase, as well as efforts to lower costs and increase efficiency.

Mustapa said the national car maker had received RM494 million from the government as a research and development grant for developing electric cars.

He said the electric cars were completed and undergoing test drives at various government organisations to ensure their quality before their release on the market.

In addition, the government and officials would continue to use Proton cars.

Mustapa said between 2006 and last year, Proton exported 348,139 vehicles to 68 countries.

Proton was also looking at markets in Thailand, Indonesia and the Philippines.

As of last year, Proton Exora became the highest-selling multi-purpose vehicle (MPV) in Thailand, holding more than 34 per cent market share.

He said this showed Proton's potential for success in the international market.

DRB-Hicom would introduce a new "business model" to ensure Proton's excellence as a national car maker.

The new business model included comprehensive long-term, medium-term and a short-term plans.

"Proton, under the flagship of DRB-Hicom, will undergo a transformation plan for its synergy and rationalisation process, with the developments planned for its vendor components, spare parts, distributors and logistics.

"Twenty-six years' experience in the local automotive sector and a strong strategic partnership network with the biggest names in the world -- Volkswagen, Audi, Mitsubishi, Suzuki, Isuzu and Mahindra -- are DRB-Hicom's main assets."

The new business model to be introduced by DRB-Hicom will ensure the continuity and success of Proton as well as the local automotive industry.

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