

PKR fears impact of Geely deal on Proton vendors

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By Nur Khairah Alegria Suner

Kelana Jaya MP Wong Chen is hopeful deal with China-based automaker will deliver better results to Proton, as sale price for 49.9% stake remains a mystery.

PETALING JAYA: PKR's Kelana Jaya MP Wong Chen has questioned whether the sale of a 49.9% stake in Proton to Zhejiang Geely Holding Group (Geely) took into account its impact on the struggling national automaker's vendors.

"Will Geely have control over the auto parts industry in Malaysia?" he asked, adding that the government must ensure the deal will not negatively impact the industry.

He urged the government to disclose the terms of the sale of almost half of Proton to the China-based company, as announced today by DRB-Hicom Bhd, the owner of Proton.

"We hope the deal will bring better results to Proton," he said.

The deal will also see Geely buying DRB-Hicom's 51% stake in British sports car manufacturer Lotus.

The two parties signed the sale agreement here today, witnessed by Second Finance Minister Johari Abdul Ghani without revealing the value. A definitive agreement was expected to be signed in July.

Proton, founded in 1983, had received RM1.5 billion in government aid last year on the condition that it seeks a foreign strategic partner to help it turn around its business, following years of making losses.

Geely, the parent company of Hong Kong-based Geely Automobile Holdings Ltd and Sweden's Volvo Car Group, was reported to be interested to expand its reach into Southeast Asia and would use Proton as the platform.

The Chinese automaker beat out rival bidders PSA Group, the Paris-based maker of Peugeot and Citroen cars.

Other reported bidders had included another French company, Renault, and Japan's Suzuki Motor Corp.

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