

Mahathir: Loss of an icon, Proton no longer national car

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Former prime minister Dr Mahathir Mohamad laments sale of stake to Chinese automaker, saying buying a Proton in future would mean one was buying a foreign car.

KUALA LUMPUR: Against the backdrop of the Petronas Twin Towers, one of Dr Mahathir Mohamad's many legacies, the former prime minister bemoaned the loss of a national icon, Proton.

Just hours after it was announced that DRB-HICOM would sell a 49.9% stake in the struggling national car manufacturer to Chinese automaker Zhejiang Geely Holding Group, Mahathir declared that Proton was no longer a national car.

"It has been sold to foreigners, hence it is a foreign brand. We have just lost one of the country's icons," the PPBM chairman told an audience of over 300 at a ceramah in the heart of the city last night.

Mahathir, who has been called the "father of Proton", went on to recall the time when detractors criticised the national car company over the quality of the vehicles it manufactured.

He said, the reality of it was that no developing country had its own national car industry that had grown in such a short span of time, that is 30 years, compared with other nations that he said took 50 or 100 years to do so.

There were teething problems, Mahathir admitted, but they were overcome.

"Some complained the windows would not go up when the button is pressed, but that's an old story.

"Now you press the button 10 times it will go up and down 10 times."

These days, Malaysia's longest serving PM said, the company churns out three cars in a year, a vast improvement from the time it used to unveil a new model once every three years.

"Unfortunately, should we purchase a Proton in the future, we'll be buying a foreign car."

He also put the blame solely on the government led by Prime Minister Najib Razak for Proton's current state and the sale of almost half the company to a foreign entity.

"The sale of Proton's stake showed that the government is bankrupt. Putrajaya was not even able to offer a little bit of help," Mahathir said.

Despite the former prime minister's stance over the sale of Proton's stake yesterday, he seemed to have had a slightly different view on such a sale just three months ago.

In February, Mahathir said that personally he was open to the idea of Proton selling some of its stake but would object if the entire company was sold off to a foreign company.

"Proton is a national car. If we allow other companies to use our facilities to produce their cars, we will bear the losses," Mahathir was reported to have said then.

Proton, which was established in 1983 as Malaysia's national car project, has been struggling in recent years despite decades of government support and bailouts.

In 2001, the once-dominant Proton had a market share of 53%, but this figure dwindled last year to a mere 14%. Part of this could be attributed to the rising popularity of the nation's second national car maker, Perodua.

Over the years, there have been plans for Proton to form a long-term partnership with a foreign car maker. However, discussions with potential suitors, including Volkswagen and, more recently, Suzuki and Renault, all fell through.

The agreement with Geely, the parent company of Hong Kong-based Geely Automobile Holdings Ltd and Sweden's Volvo Car Group, is expected to be signed in July.

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