

Proton workers cautiously optimistic after Geely sale
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Some, however, fear new China-based partner may push for retrenchment to cut costs in a bid to turnaround the loss-making national carmaker.

TANJUNG MALIM: Proton workers are looking at the entry of their company's new China-based partner with cautious optimism but some fear the management may resort to a retrenchment exercise to cut costs in a bid to turnaround the loss-making carmaker.

Anuar Kamarudin, 33, a marketing staff, said there were pros and cons in the sale of a 49.9% stake in Proton to China's Zhejiang Geely Holding Group Co Ltd, the parent company of Hong Kong-based Geely Automobile Holdings Ltd and Sweden's Volvo Car Group.

Anuar, who has been with Proton for the past 13 years, said the entry of Geely would help boost the sales of Proton cars.

"On the negative side, our dignity is affected. In these times, however, we can't go it alone. We need a partner to help us market our products, help us in finances and technology," he said.

Asri Yusof, 40, who is with the company's communications division, said the Geely deal would enable Proton to reach a larger market instead of just selling in the domestic market.

"It is my hope that in another 10 years, Proton will be more successful and be able to compete in the international market," he added.

Faiz Farhan, who works in the body assembly division, welcomed the Proton-Geely deal but disagreed with the assertion that Proton had fallen into China's hands.

"This partnership is a good development for our community and to move Proton forward as well as improve work performance.

"We in Proton don't want to be too dependent on the government," he said.

The Proton-Geely deal was announced by both companies two days ago.

According to the deal, the Chinese company would enjoy a 51% stake in Lotus Cars from DRB-Hicom Bhd, Proton's parent company. The agreement is expected to be signed in July.

Proton received RM1.5 billion in government aid last year on condition that it sought a foreign partner to help turnaround the company.

Some of Proton's 10,000 employees however, have been left wondering if the deal would result in retrenchment as Geely is expected to bring in their own personnel. If this happens, it will further reduce job opportunities for locals.

Zamrul Fauzi Arifin, 36, who works at a Proton factory here, said the announcement of the partnership did not address the issue of job cuts.

"We could be retrenched and maybe half of the jobs will be cut," he told FMT.

Even before the sale announcement was made, the Institute for Democracy and Economic Affairs (Ideas) warned of the possibility of retrenchment of Malaysian workers.

The think tank's external relations manager, Azrul Khalib, said some automotive companies forced to downsize in the past, such as Ford, Volvo and General Motors, had retraining programmes for their employees so they could take on new jobs or choose new career paths.

Zamrul also revealed that it had been a while since Proton reviewed its salary scheme and he wasn't sure if this would take place under Geely.

"Yes, there are yearly increments, but the basic pay is still low compared to other car companies," he said.

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