

Najib: Proton could lose RM1 billion annually if not restructured
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Najib says in 2016, the government assisted Proton with a soft loan of RM1.5 billion, while this year, there was an additional request for RM1.1 billion for research and development.

SEREMBAN: National automotive company Proton is expected to lose RM1 billion annually if not restructured, says Prime Minister Najib Razak.

He said last year, the company suffered a loss of RM500 million on the back of discouraging sales of about 72,000 units at 6,000 monthly.

“The government in 2016 assisted with a soft loan of RM1.5 billion, and this year, there was an additional request from the aspect of research and development (RnD) of RM1.1 billion.

“We are using the people’s money to save Proton as 60,000 people are dependent on the company... so for how long more?” he said in his speech at a breaking of fast event and the launch of phase eight of the Rural Streetlights Project at the Paroi Jaya mosque here today.

Also present was the prime minister’s wife, Rosmah Mansor, Youth and Sports Minister Khairy Jamaluddin, Negeri Sembilan Menteri Besar Mohamad Hasan and Malaysia’s ambassador to Cambodia Hasan Malek.

Elaborating further, Najib said the restructuring was not a decision based on emotion, but one related to the “life and death” of the company.

“We do not want a business that is dead, nor one that is paralysed, but a profitable business... we cannot be proud of a national car but have billions in losses. We should be proud of a national car that turns in a profit and benefits us.

“What is important is to manage the business until it turns in a profit,” he added.

He said the decision regarding Proton was not a question of pride in wanting to defend the 100% equity as it was better to just have a 51% stake to ensure a profit.

“That is why we chose the better option of a reduced equity but having a profitable business, and in this regard, everyone needs to understand the situation.

“We will do what is best for the people of Malaysia and not seek to cheat them... similar to the goods and services tax to strengthen the financial position.

“The GST will be channelled to the health sector, schools and more recently, RM500 as special assistance for Hari Raya Aidilfitri to civil servants and RM250 to pensioners totalling RM1 billion,” Najib added.

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