

Govt won't buy back Proton - PM Mahathir

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KUALA LUMPUR, May 23 (Bernama) -- The new government will not buy back Proton Holdings Bhd as it now belongs to tycoon Tan Sri Syed Mokhtar Al-Bukhary, said Prime Minister Tun Dr Mahathir Mohamad.

He said this during a press conference after chairing the Cabinet meeting today.

Syed Mokhtar holds an indirect 55.92 per cent stake in DRB-Hicom Bhd via his private vehicle, Etika Strategi Sdn Bhd, in which he has a 90 per cent equity interest.

To recap, Proton, set up in 1983, was the country's first national car and Dr Mahathir's brainchild during his 22-year premiership.

However, Proton has incurred losses over the years and this led to the selling of a 49.9 per cent stake in the company to China's Zhejiang Geely Holding Group Co Ltd for a total of RM460.3 million in June last year.

In the run-up to 14th General Election on May 9, it was reported that Pakatan Harapan, head by Dr Mahathir, might have plans to set up another national car company if it wins the election.

This is following the vast opportunities for car manufacturers, which will also have spillover effects to the car parts companies.

Passenger vehicles total industry volume stood at 514,679 units in 2017, out of which Proton sales amounted to 70,991 units.

At its peak, Proton dominated domestic automobile sales with nearly 80 per cent of new passenger cars sold.

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