

Third National Car, The Unfinished Business – Why Mahathir Should Wake Up & Stop Hallucinating

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Mahathir's fetish for national car projects is commendable, even applaudable, if today is 1983. Unfortunately, it's been 35 years since "PROTON" was established in a mind-boggling venture – automobile design, manufacturing, distribution and sales. Subsequently, a second national car project – Perodua – was hatched in 1993, although solely in rebadging business.

Now, the defiant 93-year-old Prime Minister of Malaysia wants the 32-million Malaysians to blindly and obediently embrace his third national car project. Insanity is doing the same thing over and over again and expecting a different result. Of course, Mahathir isn't crazy. But he has an unfinished business, ever since ex-premier Najib Razak sold off his pet project to China.

While his determination and perseverance is fantastic, Mahathir should spend some quality time at coffee shops and get some honest opinion why people can welcome him back as prime minister but not his obsession to build another car factory. To be fair, the first national car rolled out from its factory – Proton Saga – was quite a solid automobile. But that's about it.

Even then, Proton was actually a manufacturer of rebadged Mitsubishi Motors (MMC) products in the 1980s and 1990s. It was only in the year 2000 that Proton produced its first indigenously designed car, even though the engine was still sourced from Mitsubishi. The Japanese automaker, of course, had only shared their obsolete engine technology with Proton.

The infamous “power window” problem had been stuck with Proton brand for years without a fix. Proton models were outdated thanks to complacency while the spare parts were sold at cut-throat price due to nepotism. Yes, millions, despite voted Mahathir as the prime minister for the second time, still remembers how majority of the master parts suppliers went to his relatives.

The dark age of Proton included horrible after-sales services. Loyal first time Proton buyers got a shock in their life when they were made to wait for hours just to be serviced. The arrogant service personnel behaved as if the customers owed them a living. And they had the cheek to charge extremely high cost for parts and labour. It was “take it or leave it” attitude during the glory period of Proton.

Proton Journey - First Saga Car

Proton’s domestic market share peaked to 74% in 1993, only to plunge like a rock to 15% last year, despite multiple restructuring plans in 2009 and 2012. Before is sold to Chinese automaker Geely in 2017, Proton sales dropped by 30% to 72,290 cars (2016) from 102,174 units (2015). Heck, they had even lost its market position to Honda.

For as long as one can remember, Proton was protected like an endangered species. Proton had sucked up a variety of government assistance including waived taxes – totalling up to RM13.9 billion since its inception in 1983. For 35 years, Malaysians were forced to pay for inferior Proton cars while subsidizing the automaker which could never seem to grow up due to protectionist policy.

And now, Mahathir wants to repeat the same mistake. Yesterday (July 30), he said his administration is reviewing the National Automotive Policy (last updated in 2014),

which may include imposing conditions on the import of foreign vehicles. He said while the government agrees with the practise of free trade, other countries worldwide impose conditions for their own markets.

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