

Malaysia's Mahathir speaks out on Proton

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OCT. 17 6:20 A.M. ET Former Prime Minister Mahathir Mohamad said Monday that Malaysia's automotive sector might as well shut down if the public thinks it can't compete with foreign car makers.

Mahathir, currently the adviser to national auto company Proton Holdings Bhd., acknowledged that some people believed that Proton's vehicles weren't as good as imported models or competitively priced, the national news agency Bernama reported.

"If some feel one way to overcome the many problems we hear today ... is that we don't have the automotive industry in Malaysia, we just close down," Mahathir, who launched Proton as his pet project in 1983, was quoted as telling reporters.

Asked whether he was offended by criticism against Proton, Mahathir said: "I'm not sulking. What is there to sulk, (Proton) is not mine. ... (Just because Proton is) my brainchild does not mean the government must uphold my brainchild."

In recent months, Mahathir has warned that a rising influx of foreign cars is hurting Proton. He has also accused the trade ministry of issuing a large number of car import permit licenses indiscriminately to a small number of businesses.

Mahathir set up Proton as a symbol of Malaysian self-reliance in heavy industry. The company has long enjoyed government protection in the form of high tariffs on foreign cars.

But as tariffs are gradually torn down under a regional free trade agreement, foreign cars are sold here at much cheaper prices than before. Proton's market share has shrunk steadily from 57 percent in 1993 to around 30 percent in June.

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