

Dr M defends protection for Proton

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(Malaysian Mirror) - Dr Mahathir Mohamad has come out in defence of the protectionist policies accorded to national automaker Proton, saying the government was emulating other vehicle manufacturing countries.

"I am not going to deny that in my time Proton was protected ... The protection for Proton cars had been there all along," said Mahathir in his blog.

"Britain had Imperial Preference, Japan and Korea ensured no foreign cars could be imported, even America insists on Japanese, Korean and Germans producing their cars in America, employing Americans and paying high salaries," he added.

Mahathir also said that without such policies, Malaysia would not have a car industry, admitting that Proton had gained 80 percent market share "benefitting from protectionism."

He also defended the import system of Approved Permits (APs), saying Proton would not have been able to penetrate foreign markets due to the economies of scale: "Proton lost money, the foreigners made a lot of money with the lower price of their cars sold in Malaysia. Their lower price is due to volume. We could not achieve this because of their protected car market."

Not involved in NAP

"Now Proton is fighting back despite imports of foreign cars. I was making a comparison only between Proton under the previous management and the present management. The present management is definitely more capable even though foreign cars are still coming in," he added.

Mahathir also said he was not involved in the formation of the new National Automotive Policy: "I am not in the government now. Please make your complaints to the government."

Mahathir was responding to a commentator who blamed protectionist policies for Proton's stagnating performance.

"Many thanks to NAP and Proton, Malaysian are forced to buy overpriced Tin Milo Proton," said the blogger who went under the pseudonym Syahrizan. "This is no longer about "National Car Protection", its all about protecting your cronies! Am I right Tun?" added the blogger.