

Rising to the Occasion

Saleh continues a dear friend's legacy

WITHIN DAYS OF THE tragic death on March 3 of Malaysia's automobile tycoon Yahaya Ahmad, his right-hand man Saleh Sulong became chairman of the flagship DRB-Hicom group, which controls national carmaker Proton. Both men attended the prestigious Malay College and finished their studies in Britain. Having been partners from 1980 until Yahaya's demise, they regarded one another as brothers. Like Yahaya, Saleh, 46, has big plans for Proton. He recently spoke with Asiaweek's Steven K. C. Poh:

What's ahead for Proton?

Yahaya was an extraordinary entrepreneur. We started auto assembler Master-Carriage in 1980, and people within the [DRB-Hicom] group accept that I am here to ensure his legacy lives on. Prime Minister Mahathir Mohamad asked me to take over because he too wants to see Yahaya's work continued. When one has been asked to assume a responsibility as heavy as this, you have to rise to the occasion.

How did Yahaya get the national car?

In 1992, we invited the PM to visit our assembly facility in Pahang state. He was impressed to find a plant in the boondocks capable of producing 46 different models. Here was Yahaya, a bumiputra [indigenous] businessman who had succeeded in the auto industry without government assistance. A door was opened for Yahaya. He and I had an understanding that we both could not run one group. We decided he should be the boss. It was natural. He was five years my senior and head boy at the Malay College.

How important is political backing?

Our business is very diversified. If we just assembled cars, perhaps it would not be necessary to seek patronage. But with Proton, we must have the government's approval. After the PM's visit, we were given the chance to make a new Proton variant, the Satria. It took about three months. Once we proved ourselves, other projects followed. The government started to believe in our ability to deliver. I have been given assurances [of continued government support] after Yahaya's death.

Some question the permanency of your appointment.

It's not something I worry about. If I don't perform well as head of the DRB-Hicom group, I will still remain a shareholder, but someone else will run the show. But I have every intention to make good as I am responsible for the 36,000 or so employees within the group.

Is Proton competitive enough to survive?

To become a global player, Proton must be more competitive. We have to prepare for when the tariff protection we enjoy is no longer there. That means being price competitive, especially against models that are direct rivals. Our target is to cut costs by a third. While trimming costs,

performance and reliability must not suffer. The styling of our cars must remain attractive. These are our top concerns. But we are moving in the right direction.

Are you concerned about Proton's lackluster exports?

Yes, but not to the extent that I am worried. Volume in the domestic market has risen steadily. In 1996, total passenger car volume was over 275,000 units, of which Proton had a 63%-plus share. By 1998, we expect the [nationwide sales] figure to be around 400,000, climbing to 500,000 by 2000. We definitely need to study how we can improve. And we must be prepared for the export market.