

Better strategy for third car

PRIME Minister Tun Dr Mahathir Mohamad's plan to venture into another national car project, the third one after Proton and Perodua, has certainly received a mixed reaction. Some have raised objections, citing the experience with Proton which they claim is a failure. Money could be better spent on projects which would benefit the society more, claimed the critics.

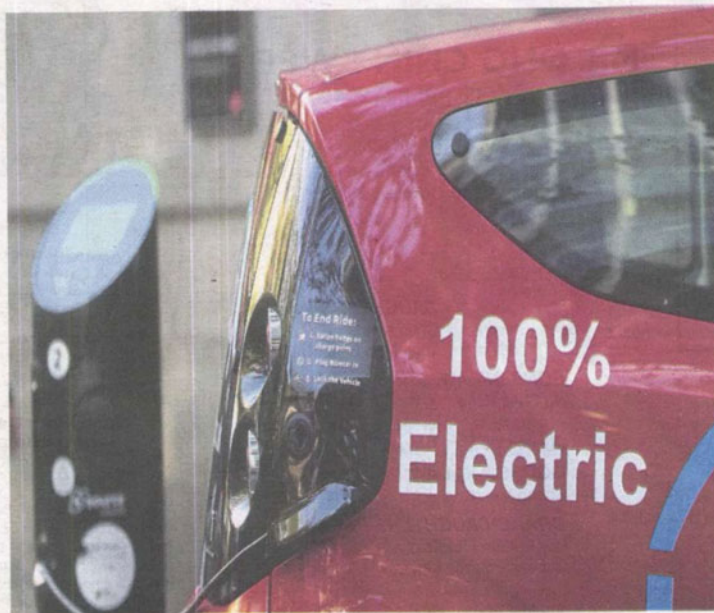
Those who were more sympathetic to the plan viewed Proton as not just a car business but a venture that has brought benefits to the nation as a whole, not only in creating jobs but also, and more importantly, spurring the population into a more sophisticated manufacturing business. Proton proved to be the right platform to nurture such talents.

I tend to agree with the view that Proton has brought benefits to the nation even though it was not a huge success as a car business. It could not sell as many cars as planned, which explains why its production capacity was under utilised.

One reason given for this lackluster performance was that Proton could not penetrate the export market. The blame for this was put on the quality of Proton cars, which was said to be inferior. But it's more than this. The world car market is a highly protective business, especially in the more developed countries.

People in most developing economies could not afford cars. Therefore, the recent tie-up with a car maker from China may be the best way out for Proton as a business.

I have read predictions by car experts that



the future for the automotive industry would not be just in selling cars but selling services as well. It would be more about dabbling in technologies related to artificial intelligence (AI) and big data analytics.

I am sure we all have heard about autonomous driverless cars that are powered by electricity.

It all boils down to what consumers really want. If future consumers do not want to own cars, then car makers will just have to redefine their business model. More and more consumers are opting for other means of mobility. With

the expected improvements in public transport, many view owning cars as wasteful if they are just parked in the garage most of the time.

Many studies have reported that the millennials are opting out of car ownership. If you visit countries like Germany and Japan, which have excellent public transport, car sales have dropped. This is why both countries have ventured outside to expand their sales.

Taking the cue from such trends, the third national car would have to focus on building technology leadership in the cars of the future. We need to embark on at least a 20-year programme to assume world leadership in electric autonomous cars, where the business is selling technologies instead of cars.

As a technology leader, we would also be sought after by other countries to help them manufacture such cars and the consequent parts and components.

We therefore need to produce a 20-year automotive technology master plan and bring the key stakeholders together. These include the business element, government and the technology talents.

The initial phase may involve partnering with world class car technology experts but the end game is to nurture our own local talents to take over. This way, we as a nation can emerge as a major player in the new global car business.

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