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Car project

SHAH ALAM, JULY 9 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD DOES NOT AGREE THAT ALL THE SHARES IN PERUSAHAAN OTOMOBIL NASIONAL SDN BHD (PROTON) BE ALLOCATED TO BUMIPUTERAS.

HE SAID ALTHOUGH PROTON WOULD SUBSCRIBE FULLY TO THE OBJECTIVES OF THE NEW ECONOMIC POLICY, THE GOVERNMENT WOULD INITIALLY ACT AS TRUSTEE FOR THE BUMIPUTERAS THROUGH THE HEAVY INDUSTRIES CORPORATION OF MALAYSIA (HICOM).

THIS WAS IN VIEW OF THE HIGH RISKS INVOLVED, HE SAID WHEN LAUNCHING THE PROTON SAGA AND OPENING THE \$550 MILLION PROTON PLANT HERE TODAY.

THE SHARES WOULD BE DISTRIBUTED TO BUMIPUTERAS THROUGH SPECIFIC CHANNELS, HE ADDED.

+I WISH TO REMIND THOSE WHO FEEL THAT THE ENTIRE EQUITY SHOULD BE IN BUMIPUTERA HANDS THAT NOT ALL BUSINESSES ARE PROFITABLE.+

THE PRIME MINISTER SAID IF 100 PER CENT OF THE SHARES WERE ALLOTTED TO BUMIPUTERAS, THEY STOOD TO LOSE 100 PER CENT IF THE COMPANY SUFFERED LOSSES.

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+A SHREWD BUSINESSMAN WOULD SPREAD OUT THE RISKS, EVEN MORE SO WHEN PROFITS HAVE NOT BEEN ASSURED,+ HE SAID.

DATUK SERI DR MAHATHIR ALSO SAID IT WAS NOT THE GOVERNMENT'S INTENTION TO PUT LOCAL CAR TRADERS OUT OF BUSINESS WITH ITS ENTRY INTO CAR PRODUCTION.

+THE COUNTRY WILL NOT BENEFIT IF SUCH A BIG BUSINESS AS THE CAR TRADE SUDDENLY COLLAPSES,+ HE SAID.

HE SAID THE GOVERNMENT'S ENTRY INTO CAR MANUFACTURING WAS TO PROVIDE FURTHER BOOST TO THE TRADE, SO THAT NEW TRADERS WOULD HAVE A CHANCE OF VENTURING INTO THE FIELD WHILE EXISTING ONES COULD EXPAND.

DATUK SERI DR MAHATHIR SAID THE GOVERNMENT WAS AWARE THAT LOCAL CAR ASSEMBLY FIRMS FELT THREATENED BY THE NATIONAL CAR PROJECT AND AS SUCH WAS GIVING THEM THE OPPORTUNITY TO HELP MARKET THE PROTON SAGA.

THIS WOULD ALSO HELP CREATE A NETWORK OF SALES AGENTS THROUGHOUT THE COUNTRY, HE ADDED. -- BERNAMA

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