

# Malaysia's own car rolls out

(P) Mahathir - Car project

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SHAH ALAM, Tues. — Malaysia today rolled out a new era with the launching of its very own car — the Proton Saga. And on hand to endorse it all was Prime Minister Datuk Seri Dr Mahathir Mohamad, who was understandably elated.

"I am proud of the success achieved in this national car project, which underscores the ability of the people and the nation as a whole in car manufacturing."

Dr Mahathir, who firmly believes that Malaysians have to think big where necessary in order to get on in this competitive world, added:

"The car also demonstrates that desired objectives can be achieved with determined effort, dedication and the willingness to face challenges."

He did a little testing of his own when he got behind the wheel of a metallic blue 1.5S (S for *Sederhana* or medium) and took it for a spin on the test track. His verdict: "It's very good."

He said he found the car to be "lively" and easy to handle. He will have another first with the car when he drives one across the Penang bridge on August 2 at the start of a two-day official visit to the island.

He takes delivery of his own Proton Saga in September.

In calling for the people's support of the national car project, he said the Proton Saga was comparable with foreign-made cars.

By LIM KEAN LIANG

He stressed that it was not the Government's intention to eliminate existing car dealers as it would not be beneficial for the country if big business like automotive marketing was wiped out.

The Government decided to go into car manufacturing to ensure rapid development in this business. New and small dealers would have the opportunity to participate in this sector, while those who had been successful would continue to be successful.

It was important that the made-in-Malaysia car was well received by the buying public, he said.

"It will suit no purpose at all for a car dealer to be interested in being a distributor of the national car if there are no buyers. Therefore, the priority is not in giving the opportunity to whoever wants to be a distributor of the national car but to ensure that the made-in-Malaysia car is well received by the local and foreign markets."

He stressed that this was important as the Proton plant planned to produce 120,000 cars annually and no company in Malaysia as yet had sold more than 23,000 cars of each type or model a year.

According to economies of scale, Proton would incur heavy losses if the Malaysian car was not sold in great numbers.

But with proper marketing it would be possible to sell all the cars produced each year.

Dr Mahathir also gave an undertaking that Proton would abide by the New Economic Policy.

# Give R&D attention, Dr M tells industries

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However, in the initial stage, the Government would be the major shareholder in Proton, holding in trust the Bumiputera equity through Heavy Industries Corporation of Malaysia.

Only when the business was thriving would the Government distribute its stake in Proton to Bumiputeras through the appropriate channels.

"To those who are of the view that 100 per cent of the equity should be reserved for Bumiputeras, I wish to remind them that not all business ventures are profit making and, therefore, if Proton or Edaran Otomobil Nasional were wholly owned by Bumiputeras and it incurred losses, Bumiputeras would also suffer 100 per cent losses."

Dr Mahathir also called on the car component industry to upgrade their quality and production efficiency so that it

would not only be able to supply the local market but also penetrate foreign markets.

He urged the car component industry to intensify efforts in product development as well as pay serious attention to research and development and, with this, dispel the negative attitude held by certain quarters towards locally-produced goods.

Local manufacturing companies were also called upon to follow the example of Proton which, even though a young company, had set up a research and development department.

The Prime Minister made no mention of the price range of the car, which comes in 1,300 and 1,500cc versions.

But some reports have said it will be between \$17,800 and \$20,200 (exclusive of road tax, etc) and will be announced just before the car is put on the market on Sept 1.