

MAHATHIR-CAR

BM

EMBARGO: FOR RELEASE AFTER 10.30 TONIGHT

(P)

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KUALA LUMPUR, JULY 12 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD HAS URGED LOCAL CAR DISTRIBUTORS TO PRODUCE CAR COMPONENTS FOR THE PROTON SAGA

-- MALAYSIA'S OWN CAR -- BESIDES ENGAGING IN THEIR NORMAL ACTIVITIES.

THE TIME HAD COME FOR THE LOCAL CAR DISTRIBUTORS TO ALIGN THEMSELVES TO PRESENT DAY NEEDS AND DIVERSIFY THEIR BUSINESS ACTIVITIES FOLLOWING THE IMPLEMENTATION OF THE NATIONAL CAR PROJECT, THE PRIME MINISTER SAID AT A DINNER HOSTED BY THE MALAYSIAN MOTOR TRADERS ASSOCIATION HERE TONIGHT.

THE GOVERNMENT, HE SAID, HAD IDENTIFIED COMPONENTS PLANNED FOR PRODUCTION LOCALLY FOR THE PROTON SAGA UNDER THE LOCAL CONTENT PROGRAMME WHICH WAS THE MAIN OBJECTIVE OF THE NATIONAL CAR PROJECT.

DATUK SERI DR MAHATHIR HOWEVER ADVISED THEM NOT TO BE HASTY IN THE NEW VENTURE.

THIS WAS BECAUSE WHAT WAS BEING GIVEN PRIORITY WAS NOT ONLY THE ABILITY TO PRODUCE COMPONENTS WHICH MET THE QUALITY REQUIREMENT BUT ALSO TO PRODUCE THEM AT LOWER COST SO AS NOT TO HIKE THE PRICE OF THE PROTON SAGA. -- MORE

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THE PRIME MINISTER GAVE AN ASSURANCE TO THE ASSOCIATION THAT THE INVOLVEMENT OF THE GOVERNMENT IN CAR MANUFACTURING WAS NOT AIMED AT PUTTING THE BRAKES ON BUSINESS CARRIED OUT BY EXISTING MOTOR TRADERS.

THEIR ACTIVITIES, HE SAID, WOULD NOT BE HAMPERED BECAUSE EDARAN OTOMOBIL NASIONAL SDN BHD (EON), THE DISTRIBUTOR OF THE PROTON SAGA, WOULD GIVE THEM OPPORTUNITY TO SELL THE MALAYSIAN CAR.

THEREFORE, THEY COULD CONTINUE TO DISTRIBUTE CARS WHICH DID NOT COMPETE WITH PROTON SAGA WHICH DATUK SERI DR MAHATHIR SAID COMMANDED ONLY ABOUT 30 PER CENT OF THE PASSENGER CAR MARKET IN THE COUNTRY AT PRESENT.

ON THE EFFECT OF THE NATIONAL CAR PROJECT ON THE OTHER SECTORS, DATUK SERI DR MAHATHIR SAID THAT THE GOVERNMENT IN DRAWING UP THE NATIONAL CAR POLICY TOOK INTO CONSIDERATION THE OVERALL ECONOMIC INTERESTS AND THE INDUSTRIALISATION PROCESS.

HE REITERATED THAT THE NATIONAL CAR PROJECT WOULD RESULT IN VARIOUS SUPPLEMENTARY BENEFITS AND LINKAGES TO THE DOMESTIC ECONOMY.

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THE BENEFITS INCLUDED OPPORTUNITIES TO LOCAL CAR COMPONENT PRODUCERS TO STEP UP PRODUCTION AND THE TRANSFER OF TECHNOLOGY.

ON THE PROFIT MARGIN ENJOYED BY THE SELLERS OF PROTON SAGA, DATUK SERI DR MAHATHIR SAID THAT IN DETERMINING THE PRICE OF THE MALAYSIAN CAR, THE GOVERNMENT TOOK INTO CONSIDERATION THE SYSTEM OF CONTROLLING THE PRICE JUST LIKE THAT OF THE OTHER CARS ASSEMBLED IN THE COUNTRY.

THE PROFIT MARGIN ENJOYED BY THE DISTRIBUTORS OF THE PROTON SAGA WOULD BE BASED ON THEIR EFFICIENCY AND THE NUMBER OF CARS SOLD.

THE PRIME MINISTER SAID HE HOPED THAT DISTRIBUTORS WOULD WORK HARD TO MARKET THE PROTON SAGA JUST LIKE THEY DID FOR THE OTHER CARS.

-- BERNAMA

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