

Price control for Proton Saga; Mahathir

car project

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KUALA LUMPUR, Fri. — The Government will control Proton Saga prices to ensure that dealers of the national car enjoy equal profit margins with other locally-assembled models, Prime Minister Datuk

Seri Dr Mahathir Mohamad said tonight.

This means that dealers who are efficient and capable of increasing Saga sales will get more profits.

"And since the price of the Proton Saga is cheaper (than other makes in its class), I am

convinced the possibility of selling the national car is greater," he said at the Malaysian Motor Traders' Association's annual dinner and dance.

Dr Mahathir assured the dealers that the Government would consider measures to help alleviate the problems of those affected by the national car.

The association's representatives plan to meet Finance Minister Daim Zainuddin over the matter soon.

Dr Mahathir described the willingness of the Government to meet the dealers and discuss matters as proof that their problems were being given attention.

The Government was aware that long-term national economic interests should not necessarily overlook the short-term interest of any sector or group.

It would not forget that traders and businessmen were part of the community.

Designs

Their loss would not benefit the country but would affect big investors as well as workers.

He was confident that the introduction of the Saga would bring about numerous benefits to the economy and was far more profitable than just buying foreign cars or assembling them locally.

It would also give suppliers of local car components the opportunity to increase their production and help intensify the transfer of technology, which would also benefit other industries.

The Prime Minister urged the dealers to adopt a positive attitude by collectively helping to market the Saga as they had done with other cars.

"At the same time, the dealers must also help Proton and the Edaran Otomobil Nasional Sdn

Berhad (EON) by giving constructive ideas on matters such as sales strategy, market demand for the Saga, future designs and prices."

The Government has already identified the components to be produced locally for the Saga under the local-content programme.

Dr Mahathir said it was time for dealers to adjust their activities by also exploring the production of components.

They should ensure that the components they manufactured were fairly priced so that the price of the Saga was not affected. The components should also be up to the required standard.

Dr Mahathir reiterated that in promoting the national car, the Government had no intention of ruining the business of existing car dealers.

He said the dealers' position would not be threatened by the launching of the Saga if they knew how to adjust their approach.

Dr Mahathir said dealers who wished to maintain their business tradition still had the chance to do so by selling cars which were not competing with the Saga.

They should inform their principals to supply such models, which made up about 30 per cent of the country's passenger car market.