

# Help make the Proton a success

311 SEP 1985

LATE in 1981, when Datuk Seri Dr Mahathir Mohamad assumed office as Prime Minister, I had the privilege of interviewing him.

During the course of the interview, I asked him if he would consider setting up a local car industry. I was disappointed when he said it was not feasible. The economics of scale would not allow it to be an economical project. At that time the world-wide recession was well on its way and that factor must have coloured his reply.

But two years later, he announced that the country would go in a big way for heavy industries. If I remember correctly, shipping was the first project.

Then he announced that Hicom was going to build a Malaysian car in collaboration with Mitsubishi Corporation. As I understand it, no detailed study had been made of the car project but that did not prevent the Prime Minister from launching the project.

Japan, of course, is a front runner of the car industry in the world today. From the ashes of World War II she rose like the phoenix to overtake the US and today, Japanese cars can be seen in practically every country in the world.

The US has been overtaken by Japan and today some Japanese cars are either manufactured by Japan or in collaboration with some of the big car firms in the US.

In Malaysia at one time, British cars had the biggest share of the market, but later the British and American cars were swept aside by the Japanese cars.

The success of Japan has inspired many Third World countries to try and emulate Japan. One such country is India. In that country, the economics of scale is no problem as the teeming millions who inhabit India will provide a ready market for the locally made cars, provided, of course, they have the money.

India, being a poor big country, cannot afford to buy foreign cars or car parts for assembly. Quite correctly she decided to build her own car. She decided on two medium-sized cars — the Morris Oxford and Fiat.

The Indians had to be contented with the Morris Oxford and Fiat, and the import of all cars is still prohibited. Even the Prime Minister had to use a local car and you have the spectacle of Mrs Indira Gandhi being driven in a Morris Oxford called the "Ambassador" in India.

It followed that all the ministers, too, have to follow the example set by the Prime Minister. Of course, the tycoons, too, had to drive local cars although they could afford to buy foreign cars. This is an example that many Third World countries can try to emulate. Most Third World countries are poor and yet they try to ape the West by importing expensive cars for the VIPs.

Malaysia is not exactly a poor country but our government would do well to follow India in the matter of supporting our national car. Time was when we had to buy imported or locally assembled cars for our ministers and other VIPs.

The Government has urged Malaysians to buy locally made goods. Now that we have our own locally made cars of which the Government is justifiably proud of, I call on the Government to set a good example by providing all our ministers and other VIPs with the Proton Saga — *Buatan Malaysia*.

If the Mahathir Administration does that, it will set an example for others to

follow, and this will give a tremendous boost to the Proton Saga which I am sure will outstrip all competitors. Then *Ke-pimpinan Melalui Tauladan* will have some meaning for all Malaysians.

One other way we can help in selling the Proton Saga is to direct our diplomatic representatives abroad to use our national car. This will be good advertisement for the Proton Saga, especially if it turns out to be a reliable car as it should be.

For the Proton Saga to survive, we have to depend on the export market. We have to admit that the domestic market is too small and we have to export or perish.

In the export market, we have to compete with the two big giants, Japan and US. Apart from these two giants, we have to compete with Britain, West Germany, France, Sweden, Italy, the Eastern European countries, Russia, South Korea and even India. The last named has now gone into collaboration with Suzuki of Japan. The old faithfuls of Morris Oxford and Fiat will probably be phased out and be replaced by the new generation of Suzuki.

In the export market, the Proton Saga cannot depend on the protection that it enjoys at home. It has to learn to cope with tariffs and import duties. Only the strongest and sturdiest can survive.

The Proton Saga must be of the highest quality. We must have dedicated workers who are prepared to work hard to produce cars of very high quality. In order to achieve this, our workers of all grades must be selected not on the basis of ethnicity but that of dedication and expertise coupled with a willingness to work hard.

Besides India, another Third World country that has ventured into the making of a national car is South Korea. Her original product was the Pony but now it is replaced by two newer models. These two newer models are bigger and better styled, and in Seoul the streets are crowded with locally-made cars. Imported cars are few and far between.

More than that, the South Koreans have gone into the production of buses and lorries, and to me at least, they appear to be as good as the imported models.

Soon after the Prime Minister had announced the building of the national car, Hicom got cracking and in about two years, in collaboration with Mitsubishi of Japan, the Proton Saga was built. This is a great achievement by any standard, bearing in mind that we do not have much of an industrial base and practically all the workers in the plant have to be trained de novo.

The expertise has been provided by Mitsubishi and I hope this transfer of technology will benefit the workers in the production of the Proton Saga and that eventually all involved in production will be Malaysians.

The way in which Hicom forged ahead

with the making of the local car showed that it really meant business. A competition was held to find a name for the car and it was won by Staff Sergeant Ismail Jaafar. The entry of 'Proton Saga' won the first prize. Saga stands for "Safety, Achievement, Greatness and Ability". Staff Sergeant Ismail Jaafar was presented with a Proton Saga which he richly deserved.

The headquarters building for Edaran Otomobil Nasional Sdn Bd (EON) was built in less than half a year and was officially opened by the Prime Minister on Sept 1.

The marketing strategy was planned by EON last year. When giants like Tan Chong Motors and UMW were picked to be distributors, there was an outcry from amongst the bumiputra business community.

They wanted a big share of the marketing of the car. But they had no proven track record and it would have been unwise to appoint them as dealers of the marketing arm of Proton Saga.

Now 20 chief agents have been appointed throughout the country and each State has a distribution point, including Sabah and Sarawak.

Although the Proton Saga can outsell its competitors mainly on the score of price, EON is aware that quality, finish and styling are also important factors. But after-sales services and a good supply of spare parts at reasonable prices are most important.

In fact, I would go so far as to say that the fate of the Proton Saga in the domestic market depends on the after-sales service and spare parts that EON can provide.

EON knows that it has a captive market and that it can undercut its competitors but if its after-sales service is poor or its spare parts too costly or not available when needed, then the customer, however patriotic he may be, will turn to another model the next time he wants to buy a car. In that respect, I am glad that at the official opening of the EON, all the three speakers — Datuk Eric Chia, Tan Sri Jamil Mohamed Jan and Dr Mahathir — emphasised this important point.

Datuk Eric Chia, in his speech, pointed out that great care has been taken to provide adequate and good after-sales service and that an adequate supply of

spares have been stocked at all distribution points.

Tan Sri Jamil Mohamed Jan, the chairman of Hicom, in his speech also reiterated this important point. He said that 14 service centres have been set up in most of the major towns in the country.

When the time came for Dr Mahathir to speak, he was in a euphoric mood. He had cause to be as the Proton Saga was his brain-child and his push and energy cut through all red tapes and saw the car being produced in about two years.

Dr Mahathir said the Proton Saga is no ordinary car. It can lead the way for EON to enter the heavy industry in our country. The Proton Saga is now our national product and all Malaysians should take pride in it and make every effort to make it the success that it should be.

Dr Mahathir took great care to point out that a good after-sales service will be provided and that spares will be adequate at prices which are *berpatutan*.

In this country, the customer is often taken for a ride. Before the sale of the car, the salesman is all honey and full of promises but once the car is delivered and paid for, most customers have the sad experience of finding that the after-sales service is poor and the cost of the spare parts, prohibitive. This is especially so for the more expensive cars from England and Germany which are sold in this country.

Dr Mahathir took the opportunity to hit out at the detractors of the car. These detractors have cast doubt about the success of the car. They say that the capital outlay which amounted to more than half a billion dollars could be better spent in financing a number of smaller industries.

These doubting Thomases should have more faith in the average Malaysian industrial worker who has made a good and reliable car. The marketing of the car locally has been carefully planned and there is no reason why it should not be a success locally.

It is in the foreign market that it will have to face fierce and cut-throat competition but I am sure EON is well prepared for it.

Malaysians must take pride in the Proton Saga and try to make it the success that it should be, both locally and abroad.