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MAHATHIR-PROTON

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SHAH ALAM, MARCH 16, (BERNAMA) -- THE NATIONAL CAR WILL HAVE 80 PERCENT LOCAL COMPONENT BY 1992 COMPARED WITH 18 PERCENT WHEN IT WAS FIRST MANUFACTURED FIVE YEARS AGO, SAID PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD TODAY.

HE SAID PERUSAHAAN OTOMOBIL NASIONAL (PROTON), MAKER OF THE NATIONAL CAR, WILL ATTAIN 72 PERCENT LOCAL CONTENT LEVEL BY YEAR END.

+WE NEVER THOUGHT WE COULD UNDERTAKE SUCH A GIGANTIC PROJECT BUT THIS IS WHAT PROTON HAS ACHIEVED,+ HE TOLD A PRESS CONFERENCE AFTER OFFICIATING AT A GROUND BREAKING FOR PROTON'S ENGINE PARTS MACHINING AND TRANSMISSION ASSEMBLY PLANT HERE.

HE SAID, MANY WERE SCEPTICAL THEN BUT IT WAS CLEAR NOW THAT MALAYSIA COULD PRODUCE NATIONAL CAR COMPONENTS.

IN FACT, IF IT COULD, PROTON WOULD LIKE TO HAVE 100 PERCENT LOCAL CONTENT, HE SAID.

HOWEVER, HE SAID, PROTON WILL MAINTAIN THE PARTNERSHIP WITH MITSUBISHI MOTORS CORPORATION (MMC) OF JAPAN. -- MORE

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U E521 AAE ENG MES

MAHATHIR-PROTON 2 SHAH ALAM

DATUK SERI DR MAHATHIR SAID THE COUNTRY'S AUTOMOTIVE INDUSTRY WOULD BENEFIT CONSIDERABLY FROM THE PARTNERSHIP IN TERMS OF RESEARCH AND DEVELOPMENT.

COLLABORATION WITH MMC WOULD ALSO BE ADVANTAGEOUS IN TERMS OF TECHNOLOGY TRANSFER TO MALAYSIA, HE SAID.

HE EXPRESSED CONFIDENCE THAT WITH PROPER TRAINING AND MANAGEMENT, HIGHLY DISCIPLINED MALAYSIAN WORKERS COULD ATTAIN THE LEVEL OF EFFICIENCY AND SKILL EXPECTED OF THEM BY THE INDUSTRY.

HE OUTLINED SEVERAL OF PROTON'S ACHIEVEMENTS WHICH INCLUDE COMING UP WITH ITS OWN CAPITAL OF \$100 MILLION FOR THE ENGINE PARTS MACHINING AND TRANSMISSION ASSEMBLY PLANT.

HE SAID PROTON HAD MADE AUTOMOTIVE INDUSTRY HISTORY BY MANUFACTURING CARS FOR EXPORTS WITHIN FIVE YEARS, WHEREAS COUNTRIES LIKE SOUTH KOREA TOOK 29 YEARS. -- MORE

1654MST 16 03 90

U E522 AAE ENG MES

MAHATHIR-PROTON 3 SHAH ALAM

IN HIS SPEECH EARLIER, DATUK SERI DR MAHATHIR SAID PROTON'S ACHIEVEMENT WAS PROOF OF HOW DEDICATED WORKERS AND PRUDENT MANAGEMENT COULD HELP BUILD A COMPANY.

THE PRIME MINISTER SAID PROTON HAD NOW IMPROVED ITS POSITION DESPITE IT BEING LAUNCHED DURING RECESSION.

HE SAID THE GOVERNMENT FULLY BACKED PROTON'S PLANS TO INCREASE LOCAL CONTENT IN THE NATIONAL CAR UP TO 80 PERCENT.

HE THANKED MMC AND MITSUBISHI MOTORS FOR THEIR ASSISTANCE AND COOPERATION WHICH HAD CONTRIBUTED TO PROTON'S ACHIEVEMENTS.

THE PRIME MINISTER URGED BUMIPUTERA ENTREPRENEURS UNDERTAKING +FORGING+ AND +CASTING+ JOBS FOR THE AUTOMOTIVE INDUSTRY TO APPLY MORE HIGH TECHNOLOGY AND IMPROVE ON THEIR COMPETITIVE EDGE.

HE SAID LOCAL ENTREPRENEURS SHOULD NOT CONFINE THEMSELVES TO THE LOCAL MARKET BUT PENETRATE THE FOREIGN MARKET AS WELL.-- MORE
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MAHATHIR-PROTON 4 SHAH ALAM

PROTON CHAIRMAN TAN SRI JAMIL JAN SAID UNDER THE PROJECT'S FIRST PHASE, FOUR ENGINE COMPONENTS -- INLET MANIFOLD, FLYWHEEL, EXHAUST MANIFOLD AND REAR OIL SEAL CASE -- WOULD BE MACHINED AT PROTON.

HE SAID THE SECOND PHASE WOULD INVOLVE MACHINING OF THE +CAMSHAFT+ AND +CRANKSHAFT+.

THE PLANT WOULD ASSEMBLE ENGINE COMPONENTS FOR 7,000 UNITS OF CARS AND INSTALL 6,000 TRANSMISSION UNITS A MONTH.

THE NEW PLANT SITUATED ON A 8,000 SQUARE METRE SITE IS DUE FOR COMPLETION IN FEBRUARY 1991. -- BERNAMA
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