

PM: Record Proton Saga sales prove critics wrong

1ST 10 JUL 1990

KUALA LUMPUR, Mon. — Datuk Seri Dr Mahathir Mohamad today hit out at critics of the Proton Saga who continue to find fault with it despite the fact that their misgivings have been proven wrong.

The Prime Minister said the national car project had achieved unmatched success. This was evident in a record turnover of \$2.45 billion and a profit of \$214 million for the 1989-1990 financial year for both Perusahaan Otomobil Nasional Berhad (Proton) and Edaran Otomobil Nasional (EON).

He said Proton had produced cars of quality equivalent to those produced by developed countries. It had

contributed greatly to the supporting industries by using 65 per cent local content.

"We aspire to use 80 per cent local content by 1994," he said at Proton's fifth anniversary dinner and the launching of its 200,000th vehicle.

Dr Mahathir said the critics, who were also against any national project, were grossly wrong and unfair to say that the success of Proton was due to Government subsidies.

He said the critics further claimed that the quality of the national car was poor.

They were proven wrong when Proton Saga had successfully penetrated the

foreign markets, especially Britain and Singapore.

"The critics even placed Proton Saga models alongside other second-hand cars and some even claimed that the national car was unable to make it up to Genting Highlands.

"We have proven them totally wrong and this was clear in the sale of Proton Sagas which has been increasing over the years."

Dr Mahathir said for the past 20 years there were local assembly plants for other cars but the local content in these models was only 25 per cent.

The national car project had raised the local content to 65 per cent. This was a

boost for the supporting industries.

Dr Mahathir explained why the critics were wrong when they said that the success of Proton was due to Government protection.

"The fact that we use high local content means that we have to pay less taxes on imported components and we save about \$5,000 on each unit because of locally-produced automobile parts.

"The price difference between a Proton Saga and another locally-assembled model is between \$14,000 and \$23,000. Even if Proton has to pay the \$5,000 saved

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on taxes, the car will still be cheaper by between \$9,000 and \$18,000 per unit."

Dr Mahathir said Government protection for the car industry was common in all parts of the world and not only in Malaysia.

The Prime Minister said 85,680 units were expected to be sold this year.

He said a complete model change would be achieved by Proton in 1994 with the establishment of a \$100-million plant for producing car engines.

"By then we will be able to produce 1800cc models."

Dr Mahathir noted that the success of the car project would not have been achieved without the cooperation of company's employees through their

in-house union.

He praised the workers and their in-house union for co-operating with the management in making the national project a success.

"The future of Proton is very exciting and everyone must be committed to make this important national industry a success.

"God willing we will become an important automobile and automotive centre in this region.

"There are many things in the pipeline for this industry which we are working at but I am not able to reveal them at this moment.

"I ask the nation to have faith in itself and in its capacity to make a success of this highly sophisticated and rapidly progressing industry," he said.