

company

FROM PAGE ONE

bled locally, however, range from \$14,000 to \$23,000 a unit.

Datuk Seri Dr Mahathir also paid tribute to Proton employees and the constructive role of their in-house trade union. The Prime Minister said the percentage of workers in the company who reported sick or were unable to report for work was "very low" compared with other factories.

There is also a marked increase in their productivity. Before the two-shift operation was introduced, Proton had capacity to produce 25 units of the Saga an hour. During the initial period of the two-shift operation, the capacity dropped to 16 units an hour but has now climbed to 22 units an hour. With overtime work, Proton can now manufacture some 400 units a day.

Datuk Seri Dr Mahathir urged trade unions and employers to emulate Proton's harmonious industrial relations. Proton's union, he said, is aware of the need to protect the company's interests to promote workers' benefits while the Proton management, on its part, has accepted the fact that workers may be harassed or manipulated if there are no unions.

TURNOVER SEEN BREACHING \$2bn

PM: Proton now a \$bn company

By AHIRUDIN ATTAN

PROTON, the national car manufacturer, has become a billion-ringgit company. For the financial year ended March 31 1990, the company registered a turnover of \$1.4 billion and profits of \$159 million. This year, it will manufacture 85,680 cars with turnover expected to breach \$2 billion.

Prime Minister Datuk Seri Dr Mahathir Mohamad announced the financial results and forecast as well as paid tribute to the company at a dinner in Kuala Lumpur yesterday in conjunction with Proton's 5th anniversary and the production of its 200,000th Saga.

"The future of Proton is very exciting. Everyone must be committed to making a success of this important national industry. God willing, we will become an important vehicular centre in this region," he said.

Proton, which is 70 per cent owned by the Government and 30 per cent by Mitsubishi, registered a \$32 million net profit on a turnover of \$820 million for the 1988-89 financial year. Its accumulated

BT 10 JUL 1990

losses amounted to \$137 million as at the end of March 1989.

The progress of Proton has been remarkable. In a matter of five years, the Prime Minister said, its production volume has surpassed that of local car assemblers which have been in operation in the last 25 years. Based on its performance, the company has been identified for privatization.

Its engineering and design staff, meanwhile, has acquired sufficient research and development capabilities to create a new design for a model to replace the Saga I, with the complete model change scheduled for 1994.

Plans are also in the pipeline to increase the number of Saga models, to increase the car's engine capacity to 1800cc and to manufacture left-hand drive models.

"This is a manifestation of Malaysia's achievement in engineering design and car production. No other developing country has this capability," he added.

Datuk Seri Dr Mahathir also men-

tioned EON, the national car's distributor, in his address. Between Proton and EON, he said, total turnover for 1989-90 amounted to \$2.45 billion. Total profits of the two entities amounted to \$214 million. "This is a meaningful contribution to the country's GNP. Well done."

He lambasted critics who still belittle Proton, alleging that the success of the national car is due to government protection. "Without the protection, they said, Proton will lose heavily."

The Prime Minister said all local assemblers, not just Proton, are accorded tariff protection by the Government. Tax exemption are given on components imported for the assembly. Proton uses only 35 per cent of these components compared with other locally-assembled models which use up to 80 per cent imported components.

Total exemption from taxes enjoyed by Proton is \$5,000. The difference in selling price of a Proton and cars assem-

Cont'd Back Page, Col. 1