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Mahathir - Proton

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SHAH ALAM, July 16 (Bernama) -- Malaysia made the right choice by taking the bold step to establish its automobile industry without first setting up support industries, Prime Minister, Datuk Seri Dr Mahathir Mohamad, said today.

As a result, Malaysia-made components for the national car, Proton, rose from 18 per cent to more than 70 per cent within five years due to growth of support industries, he added.

Previously, many people argued that the automobile industry could not be set up without first establishing support industries, he said.

This was a classic case of what came first, the chicken or the egg... we chose the chicken first and our choice was correct. ... he said at the roll-out of the 300,000th Proton Saga and official opening of its engine and transmission factory here.

Contrary to the arguments put forth by critics before, the national car has achieved encouraging success, he added.

Datuk Seri Dr Mahathir said the success also proved that the government's policy to set up heavy industries was a correct one, evident by the presence of other heavy industries started by Malaysia. -- more

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Mahathir - Proton 2 Shah Alam

He added that like any business, almost all heavy industry projects faltered in the early stages and it was normal for them to suffer losses in the first few years but once the weaknesses had been identified and rectified they would succeed.

He said the Proton project was no different but he reminded that the national car was produced at a time when the country was facing severe economic problems due to the world economic recession.

He was proud that Proton's efforts to encourage foreign investment, especially through joint ventures, to increase local content had been successful.

However, what is more important is the involvement of foreign investors as this will have an effect on us through the transfer of the necessary technology from developed countries to Malaysia, he said.

The Prime Minister said such efforts were needed to enable Malaysia to achieve a high competitive edge in the manufacturing industry not only to meet domestic demand but also to challenge the stiff competition in external markets in order to achieve the objective of Vision 2020 to make Malaysia a developed country. -- more

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Mahathir - Proton 3 Shah Alam

This would also enable Malaysia to be better prepared, to enter the international market and compete against manufacturers who have made a name for themselves, he added.

He stressed that Proton would have to intensify its marketing overseas because the small domestic market with a low per capita income cannot possibly provide an adequate engine of growth if we are to become a developed country by 2020.

He advised local companies wishing to upgrade their competitiveness to venture into the high technology field and encourage the production of value added goods with emphasis on research and development.

Datuk Seri Dr Mahathir said the automobile industry should also be able to act fast to fulfill the needs and wishes of customers based on current changes with emphasis on innovative designs, competitive production quality and a more aggressive marketing strategy.

Then, steps should also be taken to break into new markets besides working harder to overcome the actions of developed and developing countries to protect their own industries, he added. -- more

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Mahathir - Proton 4 Shah Alam

He said the government would continue to provide assistance through various trade missions, bilateral trade agreements and creation of more business opportunities.

Prospects for achieving growth in the automobile industry were bright, he added, calling on the private sector to play a more important role in making a success of the industry. -- Bernama

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