

# Proton may set up car assembly plant in Chile

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SUBANG, Fri. — Malaysia will study ways to establish some form of joint venture with Chile to assemble Proton cars in the South American country. **Datuk Seri Dr Mahathir Mohamad** said today.

He said there was a need to look into the feasibility of using materials and resources in Chile for the marketing of Proton cars in that continent.

The Prime Minister said adjustments would also have to be made since cars in Chile were mostly left-hand drive.

"We must understand the tax system in Chile in order to ensure that our car will be competitive," he told reporters after bidding farewell to Chilean President **Patricio Aylwin Azocar** and

his wife **Leonor Oyarzun** at the Kuala Lumpur International Airport at the end of their four-day state visit to Malaysia.

Dr Mahathir said Malaysia could consider making Chile an entry point for the Malaysian-made car into the Latin American market, adding that Chile had a number of tax avoidance agreements with other South American nations.

He was commenting on President Aylwin's statement that Malaysia must seriously consider the possibility of exporting Proton cars to South America.

In a Press conference at the Carcosa Seri Negara yesterday, Aylwin said Chile was ready to import the Proton Sagas.

Besides being a big importer of automobiles, he said Chile had the necessary network and arrangements with other Latin American

countries to ensure that Proton cars have a good market in the continent.

Chilean Transport and Telecommunications Minister German Molina had also said that demand for cars in Chile would increase over the next five years, adding that Perusahaan Otomobil Nasional (Proton), the national car manufacturer, should capitalise on the expertise and sales experience it had acquired.

Asked to comment on the outcome of Aylwin's trip, Dr Mahathir said the visit was useful and effective.

"By coming here, President Aylwin can see for himself our situation and the opportunities available in this country."

"The Chilean business and trade delegation has made contacts with our entrepreneurs, and they can see the facilities we have here, including research,

(commodities like) palm oil, Proton cars and other business opportunities which they have never thought are available here."

Dr Mahathir said with Aylwin's visit, diplomatic and trade ties between the two countries were bound to be closer, adding that Chilean businessmen and entrepreneurs bound for Hong Kong and Taiwan would be stopping over in Malaysia to explore the available opportunities.

He added that Malaysia and Chile could now exchange vital information on trade and investment as the South American country has joined the Kuala Lumpur-based South Investment, Trade and Technology Data Exchange.

The organisation, initiated by Malaysia and an agency of the Group of 15, was set up to improve trade among Third World countries.