

PM: SECOND AIRLINE NEEDED

By LEE KAR YEAN

SHAH ALAM: Malaysia needs a second international airline to complement the services of the national carrier, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said Malaysia Airlines had been expanding so fast it was being "overstretched."

Another airline was needed to fly to new destinations overseas not serviced now by MAS, he said.

"The second airline may be based on Pelangi Air or other airline companies or there may be a merger.

New company will not compete with' MAS

"Anyone can invest in the second airline. MAS also can invest in it," he told reporters after performing the ground-breaking ceremony of the Proton Moulding Factory here.

The Prime Minister said the new airline would not compete with MAS but would complement it.

"It will not go to the same destinations as MAS," he said.

Dr Mahathir said there were other countries which had more than one airline that were not competing against each other, except in Taiwan, Japan and the United States.

"We have decided that if there was too much competition? the two airlines would end up losing money," he said.

To a question on when the new airline would be set up, he said it would depend on the investors.

He said the Government did not intend to take up a stake, if possible.

"The Government should not do business, we regulate business," he said.

In his speech earlier, Dr Mahathir called on foreign joint ven-

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ture companies to be sincere and ensure the profits they made were based on efficiency and competitiveness.

He said that if the Government was forced to provide tax protection to the foreign companies, then the country would lose out although the joint venture was profitable.

"The foreign partners will still benefit in terms of royalty payment," he said.

He said although the transfer of technology from foreign countries was not 100 per cent, it should be at

Taking a closer peek

MOVING FORWARD... Dr Mahathir pauses for a white during the tour of the new Proton Moulding Factory at Hicom Glenmarie Industrial Park, Shah Alam, as he takes a closer look at a Proton Saga component.

The RM290 million plant is scheduled to commence production next year. — Starpic by NG

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the highest level possible.

He said the Proton Saga had achieved its aim in entering into automotive engineering and the supporting industry.

"Besides making profit, we want to upgrade the ability of the industry and we have achieved that."

On the price of the Proton cars, he said it would continue to rise as their duality increased.

The RM290 million moulding plant is scheduled to be operational by the middle of next year.

It will produce automotive components such as cylinder blocks, bearing caps, brake drums, brake discs and crank shafts.