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Mahathir - Proton

MALAYSTA MAY SET UP PROTON ASSEMBLY PLANT IN INDONESIA

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LANGKAWI, July 18 (Bernama) -- Malaysia plans to set up an assembly plant for Proton Saga in Indonesia on joint-venture basis with that country, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the assembling of Proton Saga in Indonesia would make the national car more competitive in Indonesian market.

Dr Mahathir told reporters at the airport here that Indonesia was now liberalising its imports and it had no objection to the import of Malaysian cars.

However, it would be more competitive to assemble the cars there using local components, he said.

"Now Indonesia is open and they will welcome our cars...but, if we export them in fully build up form (CBU) we will be subjected to the same import duties as other imported CBU cars.

"On the other hand, if we are to assemble the car there and use local components, the taxes will be reduced accordingly and that will make our car competitive," he said. -- more KHY NAK OS

▼18/07/19-52MST

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Mahathir - Proton 2 Langkawi

The Prime Minister was asked to comment on the possibility of Malaysia exporting the Proton Saga to Indonesia and importing Indonesian aircraft in return.

Yesterday, Dr Mahathir demonstrated to President Suharto the Proton Wira, the latest version of the National car.

"At the same time, we will consider the Indonesian-made aircraft for the use by our air force.

"Since we may need to replace our Caribou, we will consider Indonesian aircraft as a candidate for the replacement," he said. -- more KHY NAK OS

▼18/07/19-54MST

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Mahathir - Proton 3 (last) Langkawi

On the Pulau Igitan and Sipadan issue, he said it was not a big problem and should not be blown up.

He said such an issue was normal among neighbouring countries but it should be resolved through negotiations based on the principles agreed among the parties and supporting documents.

The issue could be resolved without creating any tension, he said.--Bernama

· KHY NAK OS