

PM tells why Protons are cheaper in Britain

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THE national car, Proton Saga, is cheaper in the United Kingdom than in Malaysia as it is exempted from Malaysian export tax and British import tax, Prime Minister Datuk Seri Dr Mahathir Mohamad told the Dewan Rakyat yesterday.

He said Britain did not impose import tax on the Proton Saga as part of its incentives on imports from developing countries.

Proton Sagas destined for Britain also enjoyed export tax exemption from the Malaysian Government.

He added that although the Proton Saga was assembled in Malaysia, the car was liable for local taxes.

He said the Government, however, protected the local car industry by imposing high import duties on foreign cars.

"This is normal procedure as every country wants foreign exchange earnings," he said in reply to a supplementary question by Lim Guan Eng (DAP-Kota Melaka).

Lim had wanted to know why the Proton Saga was cheaper in Britain, adding that the national car costs

only about RM24,000 there.

He claimed that the cheaper price was due to import subsidy aimed at maintaining the sales of the Proton Saga in Britain.

To another question by Hamzah Mohd Zain (BN-Tasik Chenderoh), Dr Mahathir said the Government believes that its plan to open Proton factories in South America and Eastern Europe would be beneficial in terms of opening up more markets for the national car.

"It all depends on commercial viability and profitability. Japan and Britain have opened up factories in other countries and they have profited from them."

Earlier, Dr Mahathir said the Proton Wira would be exported in October.

He said bookings for the model had already been received from abroad with the biggest export market being Singapore and Britain.

To cater to future demand, the Proton plant would be using 90 per cent of its capacity from this month to produce the Proton Wira while the rest would go towards producing

the Proton Iswara.

On engine capacity, Dr Mahathir said there were the 1,500cc and 1,600cc models of the Proton Wira.

"There will be no problem switching over to engines with 1,800cc capacity if there is a demand."

He described local demand for Proton Wira as "very encouraging", saying that 10,700 units of the model had been produced by the middle of the month.

He added that left-hand drive models of the Proton Wira were now being tested for export.

On the competitiveness of Proton cars, he said the Proton had won several international gold awards in motoring competitions.

Proton, he said, had also been chosen as the "Best Value For Money" car by a famous British magazine called *What Car*.

Dr Mahathir said this in reply to questions by Datuk Mohd Abu Bakar Rautin Ibrahim (BN-Kuala Kedah), Ibrahim Patih Mohd (S46-Tanah Merah), Che Ibrahim Mustafa (BN-Sungai Petani) and Shahidan Kassim (BN-Arau).