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Parliament-Proton

PM EXPLAINS WHY PROTON CARS ARE CHEAPER IN BRITAIN

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- KUALA LUMPUR, July 27 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that Proton cars are cheaper in Britain than in Malaysia because Britain does not impose import tax on cars from a developing country.

"In view of the absence of import tax, that country can sell the car at lower prices," he said when replying to a supplementary question from Encik Lim Guan Eng (DAP-Kota Melaka) in the Dewan Rakyat.

He said selling Proton cheaper in other countries was also one way of earning the country foreign exchange.

All countries wanted foreign exchange although some might have to subsidise their exports, he said.

"We are also the same as other countries and because of this we price the car as low as possible but without incurring losses. This is a normal practice," he said. -- more

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To a supplementary question from Encik Hamzah Mohd Zain (BN-Tasek Chenderoh), Dr Mahathir said a manufacturing plant for the national car would only be set up in other countries if there was a good market and it was profitable to do so.

He also answered four original questions on the national car.

To a question from Datuk Abu Bakar Rautin Ibrahim (BN-Kuala Kedah), he said Proton's schedule was to use 90 per cent of its production capacity for Proton Wira and the rest for Proton Iswara from this month.

He said orders for the Proton Wira had come in from Singapore and Britain although it had yet to be exported.

To a question from Encik Ibrahim Pateh Mohd (S46-Tanah Merah), the Prime Minister said Proton had spent about RM100 million to RM120 million on research and development over a three-year period beginning 1990.

To a question from Che Ibrahim Mustafa (BN-Sungai Petani), he said 10,700 Proton Wira had been produced and that the car was expected to be exported in three months' time. -- more

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To a question from Encik Shahidan Kassim (BN-Arau), he said the engine capacity and design of a car to be produced were dictated by commercial considerations, especially whether a particular model could sell well enough to bring profits.

He said Proton had not yet received applications from any party to produce higher capacity models.

With the launching of Proton Wira, the 1600cc model of the national car was also available.

"With this, there will be no problem to install 1800cc engines if there is demand," he said.

However, Proton had no plans to produce cars with bigger engine capacity, he said. -- Bernama

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