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Mahathir-China (With Pix)

M'SJA KEEN TO OPEN CAR ASSEMBLY PLANT IN CHINA (P)

KUALA LUMPUR, Nov. 23<sup>93</sup> (Bernama) -- Malaysia is keen to set up a car assembly plant in China to tap the potential demand for cars in that country in the near future.

The interest was conveyed by Prime Minister Datuk Seri Dr Mahathir Mohamad to the visiting Chinese Domestic Trade Minister Zhang Haoruo who called on him at his office here today.

Primary Industries Minister Datuk Seri Dr Lim Keng Yaik, who was present during the meeting, told reporters that with the fast growing economy in China and the anticipated demand for cars, Malaysia hoped to assemble cars in the republic.

Dr Mahathir did not say whether the proposed plant would assemble the Proton cars or the second national car, he added. However, he believed the Prime Minister was referring to the second national car.

Zhang arrived on Sunday for a nine-day visit at the head of a four-member delegation to promote bilateral trade and joint ventures with Malaysian timber-based companies. -- more

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Dr Mahathir briefed the Chinese minister on the Proton and the second national car which was expected to go into production next year.

Dr Lim said Zhang welcomed Dr Mahathir's interest although, at present, China had an over capacity of cars. "Nevertheless, cars with higher technology and price competitiveness are still welcome," he added.

Dr Lim said Zhang assured the Prime Minister that he would convey Malaysia's interest to the Chinese authorities.

"We hope to get a good response from the Chinese authorities," he added.

Zhang also assured Dr Mahathir that should the proposed plant be set up in China, special attention as well as wider promotion would be given to the Malaysian-made car, according to Dr Lim.

Dr Lim also said Dr Mahathir welcomed China's move to cut import duties on palm oil from 28 per cent to 20 per cent and to agree to a US\$100 million (RM255 million) palm oil credit loan facility from Malaysia.

In the talks, described as "fruitful", Zhang explained his mission here to increase bilateral trade and also informed Dr Mahathir about China's desire to buy more Malaysian products such as heavy machinery. -- more

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The Indonesian Armed Forces chief Jen. Feisal Tanjung later called on Dr Mahathir.

Jen. Feisal, who arrived here yesterday to attend the 22nd Malaysia-Indonesia General Border Committee (GBC) meeting here today, was accompanied by Defence Minister Datuk Seri Najib Tun Razak. -- Bernama

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