

# Form groups and venture abroad, car makers told

**By S. Jayakrishnan and Saiful Mahadhir Nordin**

PEKAN, Sat. — Prime Minister Datuk Seri Dr Mahathir Mohamad today urged the country's automotive manufacturers to form consortiums and set up plants in other countries to tap the vast export potential in the industry.

He said China, Vietnam and various East European

countries, apart from Asean, offered lucrative export potential which could be exploited by local automotive manufacturers.

"In this regard it is not necessary for each company to act on its own and compete with one another in foreign markets.

"It will be more prudent if several companies join forces and form a consortium to set up plants in these countries on a joint

venture basis with local partners".

Dr Mahathir said this when he opened the Usahasama Proton-DRB Sdn Bhd (USPD) production facility at the Automotive Manufacturers Malaysia Assembly Plant here.

He also formally announced the name of the new three-door Proton vari-

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## Dr M: We can be renowned automotive maker in the world

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ant model, the Satria (Warrior). At least four models of the Satria were unveiled at the ceremony.

Also present were Pahang Menteri Besar Tan Sri Mohd Khalid Yakob, Defence Minister Datuk Seri Najib Tun Razak, Deputy Minister of Public Enterprises Datuk Dr Siti Zaharah Sulaiman, Hicom chairman Tan Sri Jamil Mohamad Jan and USPD chairman Datuk Yanyang Ahmad.

Dr Mahathir later toured the AMM assembly plant and test drove a newly assembled three-door 1.6 automatic Satria.

He also visited the nearby Master Builders Malaysia Sdn Bhd plant which assembles the Pekan Rider city bus and the yet-to-be introduced Mega Rider bus.

Dr Mahathir said China represented the prime Asian destination currently and apart from having cheap labour and abundant raw materials, the country was also the biggest market in the region.

He said the good relations between Malaysia and China would also facilitate such joint venture opportunities. Other countries could also be considered for the purpose.

"What is important is that the time has come for us to

expand and seek new and wider international markets.

"I am confident that this can be implemented if we are totally committed."

He said the joint venture project between DRB and the Philippines Auto Corporation to assemble cars made in Malaysia, Japan and South Korea in the Philippines was one such clear example.

"If we can widen Malaysia's role with the participation of more local companies, it would not be impossible for the country to turn into a renowned automotive manufacturing country in the world in future."

Dr Mahathir added that political changes in Russia and the change in perception in several socialist countries in Europe and Asia had created more opportunities for Malaysia to develop further.

He said Malaysian entrepreneurs in all fields must seriously look into the possibilities and potential to invest abroad.

Dr Mahathir also stressed the need for automotive manufacturers in Malaysia to strengthen their research and development (R&D) unit to improve the technology on the use of diesel engines for vehicles.

"Automotive manufactur-

ers should seriously consider absorbing the latest technology on diesel engines here."

He added that diesel engine technology in France was one of the most advanced in the world and that such engines did not emit excessive smoke and were less noisy.

Dr Mahathir said in the Government's efforts to protect the environment and control air pollution, the use of such diesel engines was most appropriate.

On the Satria, Dr Mahathir expressed the hope that it would achieve the same success as the Proton Saga in markets abroad soon. He also hoped Proton and DRB would play a more active role in marketing the car in the highly competitive international market.

Dr Mahathir added that the success achieved by the Proton Saga not only locally but also in Europe and other parts of Asia had proved its sceptics wrong.

Later at a Press conference, Dr Mahathir said Proton was increasing its production capacity to meet the local demand for the car.

He said efforts were being made to increase the annual production capacity from 133,000 to 150,000 vehicles. When the Proton Saga was introduced nine years ago, its plant was designed to

cope with a production of 120,000 units a year.

Dr Mahathir said it was not just the Proton Saga which was in demand but also the recently launched Perodua Kancil. He said production of the Kancil had been increased from its initial 24,000 units a year production target to 36,000.

He said the increase in demand for such cars reflected the increasing affluence of the people and the country's robust economy.

On the price of the Satria, which will be officially launched on Nov 25, Dr Mahathir said the price was not as important as the ability to produce the country's own locally manufactured car.

"This time we have incorporated more local elements in the production in terms of investment, plant and production line worker development.

"These are the things that we should really be interested in instead of just asking about the price of the new model."

He said it was also important that the country was in a position to manufacture a car which is almost 100 per cent local.

Dr Mahathir said the Satria had the potential of penetrating the European market because of its interesting features.