

30 DEC 1996

Proton-PM

MAHATHIR SUGGESTS HOW MITSUBISHI CAN HELP PROTON FURTHER

SHAH ALAM, Dec 30 (Bernama) -- Mitsubishi Motors Corporation and Mitsubishi Corporation, the Japanese partners of Perusahaan Otomobil Nasional Bhd (Proton), can play a role in cutting Proton's high production cost by reducing the cost of components supplied by them.

Prime Minister Datuk Seri Dr Mahathir Mohamad said Mitsubishi Motors Corporation could also buy back the products produced by Proton for its own use.

This would give Proton the volume to achieve economies of scale and earn additional income, he told a news conference after witnessing the roll out of the one millionth Proton car at the Proton plant here today.

"They have responded quite well to this suggestion," he said when asked on the matter.

Asked on Proton's foreign markets, he said: "We could do more...there are many markets enquiring about the possibility of importing Proton cars but we have not been able to meet their demand partly because of inadequate production."

He denied that he had in the past expressed concern over the slow transfer of technology by Mitsubishi: "I did not really say I was quite unhappy, it was you (the press) who put the words into my mouth. I just said that we could do more.

"We can do more and Mitsubishi (Motors Corporation) is quite willing to help. We know how to persuade them to transfer the technology. We, however, should not look at Japan only but also at other countries."

Proton has a technical collaboration with Citroen, the French car maker, and had in October acquired a majority stake in British sportscar manufacturer Lotus.

"Even if we have the best source (of technology), we still have to look because there will be different technology which could be of help to us," he said.

On the one millionth Proton car, he said it was a proud and surprise achievement for Malaysia as it had been met in just 11 years, and this was faster than that achieved by some motor manufacturers overseas.

Asked on Malaysia's policy to protect its car industry, Dr Mahathir said: "We have to study whether we would one day do away with this policy. Most countries have their own protection in terms of tariff or non-tariff barriers. As long as we cannot penetrate other markets easily, we will have to protect our market."

Earlier in his speech, Dr Mahathir said the one millionth car indicated that Proton's management and employees could acquire new technology as fast as others in the developed countries.

Proton's management and employees, he said, had set a good example to those involved in other industries in the country as they had worked hard to face the challenges in acquiring technology. -- BERNAMA

AD SS CTL