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PM -Proton

REDUCE PRODUCTION COSTS TO BE MORE COMPETITIVE

TANJUNG MALIM, March 23 (Bernama) -- Datuk Seri Dr Mahathir Mohamad wants Proton car production costs to be reduced so that it can be more competitive in terms of price in the world market.

The Prime Minister said today reduction in production costs however should not be at the expense of quality of the Proton car which was of course of high quality and had been recognised as such in Europe.

As management strove to find ways to reduce costs, the Prime Minister hoped workers would help towards this end by increasing their productivity, safeguarding quality and not resorting to action that would bring loss to them.

Dr Mahathir was performing the ground breaking works for Proton City near Behrang, about 3Km from here and 90km from Kuala Lumpur. Work on phase one of the second Proton plant in the country would begin this year and was expected to be completed by 1998.

Some 150,000 units would be produced annually under phase one and the figure would reach 250,000 units by the year 2000. The factory's capacity was 500,000 units per year.

The Prime Minister said Malaysia could achieve even greater success through closer cooperation among all groups involved in the industry.

The automobile industry in developed countries was on the decline because of the extreme attitude of their workers, he said.

"They ask for topclass treatment and very high wages causing many such industries in Europe to fail," he said.

This had caused many people in Europe to become unemployed whereas in Malaysia the unemployment problem did not arise.

"Hence workers should ensure the success of our industry," Dr Mahathir said.

Proton could not just depend on the domestic market for its cars produced at the Behrang plant, he said.

"If we want to produce 500,000 units, most of them then should be exported," he said.

"To export, we have to have good quality and prices that can compete with that of cars produced by other countries," he said.

Expressing the hope that production costs would not go up due to pressure from workers, the Prime Minister said the workers would stand to benefit as the industry achieved even greater success.

Speaking to reporters later, Dr Mahathir said production costs could be reduced if efforts to use local components were stepped up.

More than 30,000 people came for the ground breaking ceremony.

On the Proton City covering 1,600 hectares, Dr Mahathir was confident it would be a great boost to Perak's industrial development.

He hoped Proton would safeguard the environment and retain the trees and nearby hills in Behrang. -- BERNAMA

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