

16 NOV 1996

Proton

PROTON INVESTS SEVEN MILLION POUNDS IN LOTUS

By: Wan A. Hulaimi

NORWICH, Nov 16 (BERNAMA) -- Prime Minister Datuk Seri Dr Mahathir Mohamad laid the foundation stone for a seven million pound sterling Proton engineering facility at the Lotus car manufacturing plant today, marking a new era of cooperation in excellence between Malaysia's national car industry and the world marque sports car manufacturer.

Proton acquired a majority 80 per cent stake in Lotus on Oct 13 for 51 million pounds, giving the successful but cash strapped company a much needed boost for its future development.

Dr Mahathir arrived here by helicopter at about 10.15am to start his tour. On arrival, he was taken in a yellow Lotus Esprit which he took for a test drive afterwards.

During his tour of the plant, he was taken to a Proton Satria which was brought here for benchworking.

He was told by Lotus officials that they were testing the car for its strength and weakness.

They told Dr Mahathir that they were surprised at how good the Proton was and that although there are some weak points in it, the difference between the strength of the Lotus and the Proton was not great.

The acquisition of Lotus by Malaysia's national car company was the front page lead story in the local Eastern Daily Press today which announced it as a "vote of confidence" which would make the Lotus plant at Hethel, near here, as a new centre of excellence.

"Lotus Boost" read the front-page headline to the story carried by the Saturday edition of the tabloid.

After acquiring majority share, Proton immediately injected 13 million pounds into Lotus as working capital which will not only save thousands of jobs here but also make the Hethel plant a production "benchmark" for Proton and a world-wide university of motor engineering.

Proton's further investment in Lotus, as announced by Dr Mahathir, will not only give the Malaysian car manufacturer its own project centre at a plant with proven technological excellence but will also reinforce Proton's pledge to respect client confidentiality in a newly restructured Lotus Group.

Lotus, whose name has long been equated with excellence in sports cars, derives a substantial part of its income from engineering projects for other car manufacturers.

The new Proton centre here will be supported by up to 150 engineers and technicians at its body design and engineering facility with state-of-the-art design engineering aids.

A Lotus spokesman said it will be a completely new centre which will be ready in seven months.

It will be a body-in-white design and engineering process of car design and building facility from the ground up, he said.

For Lotus, Proton has promised an expansion in its manufacturing as well as product range.

Proton will extend the product range and develop the company's world famous engineering facilities, particularly research and development.

"The laying of the foundation stone marks the first stage of this expansion programme," a Lotus press release here said.

Proton also announced today that it intends to pioneer Malaysia's new educational strategy to produce graduates with hands-on experience to meet

the fast developing nation's ever increasing need for skilled labour.

"In the near future, Proton in conjunction with Lotus, will work with leading academic institutions to introduce engineering degrees and generate graduates with practical experience in the automative field," said Tan Sri Yahaya Ahmad, the chairman of Proton and Lotus.

"This morning it seemed that the Malaysian conglomerate had wasted no time in beginning to fulfill its promise to make Hethel its production "benchmark" and the "world-wide university" of motor engineering," the Eastern Daily Press said in hailing the move.

Dr Mahathir also planted a tree on the Hethel plant ground to mark the historic occasion. -- BERNAMA

WAH YBY