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CTRM to supply parts for Lotus Elise

COMPOSITES Technology Research Malaysia will supply composite parts to Proton for its Lotus Elise sports car beginning early next year.

The parts, which will be manufactured at the company's Batu Berendam plant in Malacca, will be distributed to markets in the region via the Proton factory in Shah Alam, Selangor.

An agreement to facilitate the local manufacturing of the parts was signed yesterday between CTRM chief executive officer Tan Sri Dr Chen Lip Keong and DRB-Hicom chairman Datuk Wira Salleh Sulong at the Mahsuri International Exhibition Centre.

A Proton statement issued later to the Press said CTRM would undertake to maintain the quality of the parts, which are now sourced from the United Kingdom, while cutting down costs.

"Composites will contribute to 19 per cent of the local content of the car. This will be increased to 30 per cent by mid-1998," said the statement.

The statement added the Lotus Elise to be produced at the Proton Shah Alam plant will not only be the first car produced outside the UK, but also the first air-conditioned version.

Chen told reporters CTRM would produce parts for up to 2,500 cars a year.

"This agreement shows CTRM's competence not only in the aerospace industries but also in non-aerospace industries as well," he said.

The agreement was one of four that CTRM signed yesterday.

Another saw a restructuring of the company's equity with the FACB group of companies, CTRM's parent company, acquiring 39 per cent of CTRM's shares from the Ministry of Finance Inc.

The signatories were Chen, who is also FACB's president and chief executive officer, and Finance Ministry secretary of the finance division Datuk Dr Hadenan Abdul Jalil.

The deal, worth RM44 million, meant the remaining shares were split between Petronas (10 per cent) and MOF Inc (51 per cent).

Hadenan told the New Straits Times that the deal was to allow for the injection of fresh capital and management expertise.

"We want to ensure that CTRM will be able to operate at its maximum as a commercial entity without too much Government control via its financial equity," he said.

CTRM also signed a Memorandum-of-Understanding with Denel Aviation Malaysia, a joint venture between South Africa's Denel International and Malaysian partners, to manufacture composite components for the Rooivalk Red Kestrel attack helicopter.

Chen signed the MoU with Denel's assistant general manager, Johann Holdt.

Chen said CTRM would begin manufacturing the parts once Denel had finalised its deal to supply eight Rooivalks to the Royal Malaysian Air Force.

The project was put on hold as part of the Government's austerity drive, but Denel Aviation Malaysia, is expected to submit a new proposal on easing the payment terms.

The last agreement was to mark the sale of two of CTRM's Eagle 150 light aircraft to the Royal Selangor Flying Club.

Chen signed the agreement with club president Lt Jen (rtd) Datuk Nawi

Alias. Club members will fly the aircraft for leisure or to obtain their licence.

All the agreements were witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamad.

(END)