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DRB-Hicom to set up base in S. Africa

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DATUK Mohd Saleh Sulong, who was appointed DRB-Hicom chairman on Thursday, said yesterday the group plans to establish a manufacturing base in South Africa to produce cars and motorcycles.

"This is something we would like to have in South Africa. We should take advantage of the new market there by increasing our production capacity and setting up a facility," he added.

Because of the import duty structure in South Africa, he said it will be costly for the company to bring completely-built-up (CBU) Proton cars and Kriss motorbikes into the country.

Saleh was speaking to reporters after accompanying South African President Nelson Mandela on a visit to Perusahaan Otomobil Nasional (Proton) Bhd's plant in Shah Alam.

DRB-Hicom, through its subsidiaries Proton, Usahasama Proton-DRB (USPD) and Motosikal dan Enjin Nasional (Modenas), makes a range of cars and a two-stroke engine motorcycle.

In his speech to welcome Mandela, he said Proton is broadening its production base overseas. The company started a small assembly operation in Vietnam last year and will soon begin a similar operation in the Philippines.

"We look forward to exploring the possibility of setting up a venture in South Africa... It is our great desire to introduce our cars in your country," he added.

Proton commenced operations in 1985. From an initial capacity of 40,000 units, it has expanded its production to 180,000 units a year. Proton rolled out its one millionth unit last December. Its second millionth car is expected to be produced in four years, and subsequent millionth units every two years.

The company has captured 62 per cent of the domestic passenger car market. It exports to 39 countries with the UK as its largest export market.

To a question on speculation that the Government may want to buy back the late Tan Sri Yahaya Ahmad's shares in Proton, Saleh said this was not mentioned during his discussion with Prime Minister Datuk Seri Dr Mahathir Mohamad on Thursday.

"Nothing on this was indicated during the discussion. I can only assume it is not likely," he added.

Yahaya and his wife were killed on Monday night in a helicopter crash in Kuala Lipis.

In his speech, Mandela said the tragic and untimely death of Yahaya is a major blow not only to Malaysia, where he epitomised the economic success for which Malaysia is internationally respected.

"It is a blow which will be as much felt by South Africans because he took a particularly keen and active interest in Malaysia-South Africa cooperation," he said.

Mandela said he is confident the depth and span of the trade and business relationship between the two countries will not be retarded or derailed by the changes in circumstances.

"Yet, we cannot pretend that the tragic death of this talented and committed friend of South Africa will not leave a great void," he added.

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