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SECOND PROTON CAR BASED ON CITROEN TO HIT ROADS BY END-1998

KUALA LUMPUR, Sept 23 (Bernama) -- A second national car using technology from French car maker Citroen is expected to hit Malaysian roads by the end of next year.

Based on the "PS8" produced by Citroen in Europe, it would be the second car using French technology after the Proton Tiara which is based on the "Citroen AX."

This collaboration to manufacture a car jointly was sealed today following the signing of an agreement between Perusahaan Otomobil Nasional Bhd (Proton) and Automobiles Citroen of France and Usahasama Proton-DRB Sdn Bhd.

Prime Minister Datuk Seri Dr Mahathir Mohamad witnessed the signing which was also attended by DRB-Hicom chairman Datuk Mohd Saleh Sulong.

The agreement which entails technical expertise from the French car maker is expected to further increase the product range for Proton cars.

The 1114 cc model, to be developed by Proton, will be assembled at the auto plant in Pekan, belonging to Automotive Manufacturers (Malaysia) Sdn Bhd, a member of the DRB-Hicom group of companies.

To be distributed by USPD, the new Proton model is expected to be launched in the Malaysian market by the end of 1998.

The new model was first launched last year in mid 1996 in Europe under the brand name of PS 8.

Later at a press conference, Mohd Saleh Sulong said the new Proton model would be priced slightly higher than the Proton Tiara.

"It is very difficult to reveal the retail price but we expect to produce at 60,000 units per year, effective 1998/1999," he said, adding that there were also plans to export the new Proton to nearly 40 countries.

Asked when the first fully Malaysian made car will be produced, he said: "By the turn of the century."

Asked about the current sale of the Tiara model, Saleh said it could further improved, adding that sales of the Tiara model is currently about 15,000-16,000 units per month.

In the meantime, Saleh said both Proton and Hicom were also gearing their respective subsidiaries to become "Original Equipment Manufacturers", with the aim of eventually becoming global producers.

On global sourcing by Proton for parts and accessories, Saleh said they were only for high value parts, which included engine components still being imported from abroad, mainly Japan.

Saleh also said that the DRB-Hicom Group would continue to ensure that the strategic direction set by the government in maximising local content would not be compromised by the commercial consideration for global sourcing.

Meanwhile, the chairman of Automobiles Citroen, Jacques Calvet, said about 30 specialists would be sent to Malaysia, on a permanent basis, to enhance the R&D programmes and to ensure the smoothness of the technology transfer.

"Due to the great demand of small cars in Malaysia, I do believe that with a balance of management and technical expertise, Proton and Citroen should be able to attain great success," he said.

He added the PS8 model, very recently launched in Europe, has been chosen because it incorporated high technology features for small cars as well as safety features and elegant looks. -- BERNAMA

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