

22 JUN 1998

EON-SALES

EON SELLS 21,000 PROTON CARS IN JAN-MAY 1998

SHAH ALAM, June 22 (Bernama) -- Car distributor Edaran Otomobil Nasional (EON) sold about 21,000 Proton cars in the first five months of this year, representing a market share of 54 percent of total sales compared with 45 percent recorded in the corresponding period of last year, it was announced today.

EON chairman Tan Sri Mohd Saleh Sulong said the Proton sales have begun to pick up again, which he attributed to various programmes initiated by the company to enhance sales.

Usahama Proton-DRB, the distributor of other Proton variants, meanwhile, sold 4,400 cars from January to May this year.

Speaking at a ceremony to mark EON's one millionth customer by Prime Minister Datuk Seri Dr Mahathir Mohamad here, Mohd Saleh said the company's auto fairs had also attracted many customers looking for reliable, affordable and quality refurbished used vehicles.

He said the relaxation in hire purchase loan conditions by the government for cars priced at RM40,000 and below and the increase in the amount of loans available to 80 percent from 70 percent previously coupled with a longer repayment period had helped to boost sales of Proton cars.

However, he said the volume of sales can be further improved if the government agreed to extend such incentives to include cars priced RM60,000 and below.

He said EON has adopted several methods to increase demand for Proton cars, including price reductions and intensifying its advertising.

As of May this year, EON Motoria, a subsidiary of EON, sold about 800 refurbished cars valued at RM20 million.

On the export of new Proton cars, he said for the first quarter of this year, an export value RM268 million was achieved.

The group is targetting an export total of 52,000 units this year against 27,000 units exported last year.

"We are confident that the DRB-Hicom group will be able to increase exports up to more than RM1 billion in 1998," he added.

In this context, a new company called DRB-Hicom Export Corporation Sdn Bhd has been established. This company, according to Mohd Saleh, will be involved in the export of Modenas motorcycles and Hicom Perkasa trucks and automotive components.

On July 2, DRB-Hicom Export Corporation will sign agreements with six distributors in Cyprus, Argentina, Malta, Mauritius, Brunei and Singapore.

Mohd Salleh also said Proton would continue to introduce new models by early 2000.

Mohd Salleh said DRB-Hicom group was serious in meeting the government's effort increasing exports as one of the efforts towards economic recovery.

The export of Proton cars, components and spare parts totalled RM829 million last year.

In 1997, the EON group of companies registered RM7.4 billion in sales and RM669.7 million in pre-tax profit, making it the fifth largest corporate entity in Malaysia in terms of turnover.

EON's total assets have expanded from RM101 million in 1996 to a staggering RM12.84 billion by the end of 1997.

To date, the national car project contributed RM7.6 billion to the Treasury in the form of excise duties, road tax and corporate tax. --

BERNAMA  
DVS SHY