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MAHATHIR-PROTON

FULL LOCAL CONTENT IN PROTON CARS NEXT THREE YEARS

By: Siti Hawa Othman

KUALA LUMPUR, Nov 12 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said Malaysia hopes to achieve 100 percent local components in Proton cars in the next three years when the carmaker is able to develop its own reliable engine.

He said it would take time for Perusahaan Otomobil Nasional Bhd (Proton) to develop its own car engine as it involved testing and exchange of latest developments in its design over a period of time.

It could take three to four years to accept an engine that is reliable as the engine is a critical component, he told a press conference after the launching of two new variants of the Proton Perdana V6 and Proton Satria Gti.

On the interest shown by Petronas in taking over HICOM's stake in Proton, he said both parties are still talking to each other.

He said the interest shown by the national oil corporation might be due to the fact that it has the financial capability to push the development of the national car.

Dr Mahathir said the development of a national car requires a lot of funds and the government has been providing the capital initially and is "not quite able to do it now."

Proton chairman Tan Sri Mohd Saleh Sulong when asked on the deal said "we have been approached and we are listening."

Commenting on the new launch amidst the economic slowdown, he said Proton would have to move on in its work.

"World car makers are still launching their cars despite the economic problem and we cannot be holding things back," he said, adding that sales on the new variants are expected at 300 to 400 units a month.

He said Lotus is involved in the exterior design of both cars while the engine is still designed by Mitsubishi Corp of Japan.

The managing director of Edaran Otomobil Nasional Bhd (EON), Datuk Adzmi Abdul Wahab, said sales of cars had improved in the second half of the year with the relaxation of loan conditions and repayment period.

He said car sales had improved to between 6,000 and 7,000 units in October as compared to only 2,300 units in February.

He felt strongly that the increase in car sales is a good indication of Malaysia's economic recovery.

Earlier on, Dr Mahathir was asked on the restructuring of Renong Bhd. He said the Cabinet has not approved the restructuring but is still looking at the proposal.

He said the Cabinet is not against any restructuring as long as it is not harmful and beneficial to the country. -- BERNAMA

SHO SHY