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PM to open Proton's new R&D facility

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PERUSAHAAN Otomobil Nasional Bhd's new research and development facility will be officially opened by Prime Minister Datuk Seri Dr Mahathir Mohamad today.

The five-department facility is the final requirement for Proton to be a complete car manufacturer.

The five departments in the R&D facility are: engineering design, engineering services, planning, styling, and homologation.

The R&D centre will enable Proton to engineer its own car by 2003.

Coincidentally, 2003 is also the year when trade tariffs on competely knocked down cars will be lowered to 20 per cent from the current 45 per cent, and reduced to zero over a period of seven years under the auspices of the World Trade Organisation.

In 1995 when the late Tan Sri Yahaya Ahmad emerged as the single largest shareholder in Hicom Holdings Bhd, which had a 27.5 per cent stake in Proton, the Malaysian motor industry took the view that he would shape up Proton to take on competition from global car makers.

In 1996, Tengku Datuk Mahaleel Tengku Ariff was selected to head the company as chief executive officer to work the plan and get Proton ready for 2003.

The price competition starting in 2003 will indeed be brutal: even now, local car assemblers with global brands like Toyota, Ford, Honda and Nissan with factories in Thailand can make cars cheaper and bigger because they can import tax-rebated components under the Asean brand-to-brand complementation scheme to promote regional trade.

On the other hand, a fully equipped and competitive Proton can look forward to a regional market, and the advantages that volume can offer.

Tengku Mahaleel, a hands-on man, has worked at multinationals like Nestle and Shell, is now focusing on Proton's new car programme.

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