

Malaysia still talking to Citroen on second car

PUTRAJAYA: Proton is in talks with France's Citroen to jointly produce a second car despite reports that the project is in difficulty, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

He said talks were taking longer than anticipated because Proton wanted to ensure it gained some benefit from the project as its first joint car with Citroen had disappointed commercially.

"Any form of cooperation forged must benefit both sides," Mahathir told a news conference on Saturday.

"If we do not benefit at all, it will be a bit difficult. That is why the talks are

taking time." ^{11/11/2000}

The French ambassador was quoted as saying recently he had been informed that Citroen might pull back from the project if there was no follow-up from Proton.

It was reported that Citroen had incurred losses because of delay.

Citroen agreed to a technical cooperation programme with Proton in 1997 to manufacture a car based on the Citroen Saxo - a sub-compact vehicle similar to the Proton Tiara, the first car jointly produced by the two in 1996.

The new car was initially targeted to be on Malaysian roads by end-1999. - Reuters