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Looking forward to Proton's home-grown engine

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THE national car manufacturer, Perusahaan Otomobil Nasional Bhd or Proton, has to date, produced seven models - Saga, Iswara, Wira, Satria, Putra, Tiara and Perdana - where each model has at least two or three variants.

According to statistics from the Malaysian Automotive Association (MAA), the national car sales chalked an increase of 76 per cent last year after a decline of 60 per cent in 1998.

The sales also surged to 222,219 units last year with 93 per cent market share of total passenger cars in the country, compared with 126,410 units in 1998.

The increase has indeed raised some "concern" among MAA members which are also distributors of non-national cars.

However, MAA president Aishah Ahmad was very diplomatic in addressing such concerns, saying that "from historical trends, affordability plays an important role".

She was confident now that the country's economy has improved, consumers will be encouraged to opt for non-national cars. The non-national car sales grew by 54 per cent last year, raking in sales of 17,428 units compared with 11,281 units in 1998.

MAA has also forecast a growth of 21 per cent this year and for sales to reach 350,000 units. The industry registered sales of 288,547 units last year compared with 163,851 units in 1998.

The national car's achievement is obviously a backlash to critics who were sceptical about Prime Minister Datuk Seri Dr Mahathir Mohamad's idea in 1981 that Malaysia manufactures its own cars.

After almost 20 years in the industry, Proton now has the capability to obtain the latest design and engineering output not only from local engineers but also from foreign subsidiaries and well-established technical partners.

For example, Proton UK subsidiary Lotus Group International Ltd played an important role in developing Proton models such as the Perdana V6 and Satria GTi which were launched in November 1998.

The national cars are now being sold in about 50 countries, including the UK, and Proton has tie-ups with Citroen of France, Ford of the US and KIA of South Korea.

It is also noteworthy that the latest Proton cars had mostly locally-sourced components as the company now has its own engine plant for casting, machining and assembly, and a high-technology research and development centre.

With all these achievements, now is perhaps the best time for Proton to start looking into producing its own home-grown engine, which is truly localised in terms of technology and design.

Proton's chief executive officer Tengku Datuk Mahaleel Tengku Ariff had previously said Proton would have a new car with 100 per cent local contents at the start of the new millennium to prepare for a more liberal trading environment under the auspices of the Asean Free Trade Area and World Trade Organisation.

At the same time sources from the grapevine speculate that Proton is now working on an MPV (multi-purpose vehicle) project, and that it has started producing parts and components for the new vehicle.

Meanwhile, Proton had also won praise from its partners including that of Mitsubishi Motors Corp of Japan (MMC) director Kazumi Maeda, who

regarded the company's partnership with Proton as one of its best overseas investments.

MMC and its parent company, Mitsubishi Corp, jointly own 16.18 per cent equity in Proton. It was the collaborative design and technology transfer from Mitsubishi that led to the production of the first national car, the Proton Saga, in September 1985.

"Proton has what it takes to design and develop its own engine, which now still comes from Japan. We look forward to that day with great expectation.

"The day Proton develops its own engine will be the crowning glory of our technical cooperation agreement. We are very excited about this," Maeda said.

Indeed, most of us Malaysians will feel exactly the same way.

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