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Mahathir-Citroen

PROTON-CITROEN TALKS STILL GOING ON, SAYS DR MAHATHIR

PUTRAJAYA, Jan 8 (Bernama) -- Negotiations on technical cooperation in car manufacturing between Perusahaan Otomobil Nasional Bhd (Proton) and Citroen of France are still going on, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

Dr Mahathir said the negotiations were taking time because several matters needed to be resolved.

Any form of cooperation forged must benefit both sides, he told reporters at his Hari Raya open house at Sri Perdana here.

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

He said this when asked to comment on French Ambassador to Malaysia Xavier Driencourt's recent statement that he (the Ambassador) had been informed by Citroen that the company might pull back its investment if there was no follow-up by Proton.

It was reported that Citroen claimed to have incurred losses due to delays in its proposed venture with Proton.

In an agreement signed in 1997, Citroen agreed to a technical cooperation programme with Proton to manufacture a new national car based on the original Citroen Saxo in Europe, a sub-compact vehicle in the same range as the Tiara.

Proton and Citroen first cooperated to produce the Proton Tiara in 1996.

The new car, to replace Tiara, is supposed to be the second national car with a touch of French technology, and was initially targeted to hit Malaysian roads by the end of last year.

Proton chairman Tan Sri Mohamed Saleh Sulong has denied that Citroen plans to pull out due to the delay, saying that negotiations are ongoing.

Dr Mahathir said Proton needed a car that could chalk up good sales.

"The previous car did not sell very well," he said.

-- BERNAMA

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