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Talk of EON losing distributorship refuelled by Proton ad

Zuraimi Abdullah

A PROTON newspaper advertisement has again ignited talk of EON losing the distributorship of the national car even as EON chairman Tan Sri Mohd Saleh Sulong yesterday denied it.

The ad in yesterday's NST addressed Proton buyers, telling them that Proton cars come from the factory fitted with only six government-approved accessories and that "anything else offered by the distributor is an option."

"The choice is yours," it ended.

The ad hits at the core of Proton owners' ire at having to pay for "optional" accessories that can amount to RM5,000 in the case of a Perdana V6.

Bernama reported Saleh as saying yesterday that Datuk Seri Dr Mahathir Mohamad had dismissed talk of EON losing the distributorship.

According to Saleh, the matter was raised at a dialogue with Bumiputera entrepreneurs in Kuala Lumpur on Monday.

"The Prime Minister said the talk was only a rumour and one should not believe it," Saleh said at the EON Hari Raya gathering in Shah Alam.

Saleh urged EON personnel not to be alarmed by unfounded rumours and instead focus on their role as the distributor of Proton cars.

Bernama quoted EON managing director Datuk Adzmi Abdul Wahab as hoping that this year's sales would be better, but stressing that it would depend on certain factors.

Asked what the factors were, he declined to elaborate except to say: "We have to clear certain things first".

Some industry observers see the advertisement as an indirect attempt by Proton to show its dissatisfaction over the way EON and its salesmen and dealers manage the Proton distribution business.

They also feel that it is part of the larger plan to make wholly-owned subsidiary Usahasama Proton-DRB Sdn Bhd (now Proton Edar) the sole distributor of future Proton models after the Waja.

An EON sales executive interpreted the advertisement as helping to clear the confusion over buyers' rights.

"There are certain dealers who force customers to buy fully-accessorised Protons," he said.

Sources said Petronas, Proton's new controlling shareholder, wants Proton to handle the distribution of future models, leaving EON responsible for existing models.

EON now sells the Wira and Iswara sedans, Perdana and its premium V6 version and the 1.6-litre Waja which was launched in the middle of last year. USPD handles the aeroback versions of the Wira and Iswara, as well as Satria and its GTi variant, in addition to the Waja.

Sources said without the "optional" accessories, EON's profits would amount to only a few hundred ringgit from every car sold. Installing extra accessories, such as sports rims, auto cruise and power shade raise the company's profits by several thousand ringgit per car.

While it normally takes a month or two to obtain a Proton with all the accessories, it is known that buyers have to wait many months for a car without the frills.

The "delay" is seen as a tactic to force buyers into accepting the extra accessories.

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