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MAHATHIR-PROTON

THE GOVERNMENT WILL NOT SELL PROTON STAKES ENTIRELY

SHAH ALAM, July 5 (Bernama) -- The government will resist and not sell Proton stakes to foreign partners but if it has to, it will not be 100 percent, Prime Minister, Datuk Seri Dr Mahathir Mohamad said today.

"At the moment if we can resist, yes... we will resist. If we have to (sell) at all, it will not be a 100 percent sellout," he told a press conference after visiting the Proton main plant here today.

The prime minister said that Proton would like to have a good technology partner.

Dr Mahathir said: "Malaysia is trying its best to avoid being swallowed up by the automotive majors."

The prime minister said that today there are not many car manufacturers because many had been bought up by automotive majors.

When asked when Proton would operate in Proton City in Tanjung Malim, Dr Mahathir said: "We are looking at it. If we are too congested here, we will go to Tanjung Malim."

Perusahaan Otomobil Nasional Bhd (Proton), manufacturer of the national car Proton, had planned to build new car models at its Proton City plant twice as fast as its Shah Alam plant.

However, in January 1998 amidst the economic slowdown, DRB-Hicom group chairman, Tan Sri Mohd Salleh Sulong announced that the project on a 1,600ha site had been deferred in line with Proton's move to conserve funds, and it was also advised by the government to delay the big project.

Proton chief executive officer, Tan Sri Tengku Mahaleel Tengku Ariff, who was present at the media conference, said that Proton would look forward to move to Tanjung Malim especially with the coming up of new models.

"We are looking very much into it because of the new models." Also present at the media conference was Petronas president, Tan Sri Mohd Hassan Marican.

Earlier, the prime minister said he was very impressed with the progress made by the national car maker since it was launched in 1985.

Dr Mahathir said from a car that had almost 80 percent foreign content, the car was now designed, tested and produced locally almost entirely by Malaysians.

Dr Mahathir also said that he had tested the 1.6 litre engine produced by Proton and he described the car as powerful.

The prime minister, who also visited Proton's medium volume factory for the production of the Waja model, at the main plant here, commended the automation achieved at the plant as well as its worker-friendly design. --

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