

Deal won't hurt Proton-EON talks

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by Joycelyn Lee

PUTRAJAYA: Edaran Otomobil Nasional Bhd (EON) chairman Tan Sri Mohd Saleh Sulong does not expect the signing of the distributorship deals with German carmakers, Volkswagen AG and Audi AG, to jeopardise the ongoing negotiations on the distribution of Proton cars between EON and Perusahaan Otomobil Nasional Bhd (Proton).

He said Prime Minister Datuk Seri Dr Mahathir Mohamad has given the green light for EON to handle the Audi and Volkswagen franchise.

Mohd Saleh, however, said Proton will not be "overjoyed" with its distributor, EON's subsidiary, Euromobil Sdn Bhd for signing the distributorship deals.

"I wouldn't say Proton is happy, neither will I say that they are overjoyed that we have signed these documents," he told a press conference yesterday after witnessing the signing ceremony for the distributorship of Volkswagen and Audi cars.

"But, put it this way, even if Euromobil isn't the one handling the two concessions, somebody else will, so the competition will be there anyway," he said.

Saleh said what is important is

that the prime minister, who is the patron for the national car project, has given EON the green light. But the distributorship has to be handled by a separate company, hence the incorporation of Euromobil.

"We are mindful that we are first and foremost the distributor for the national car," he said.

On the ongoing negotiations between Proton and EON, Saleh said they will take "a little more time" to hammer out the details of the distributorship deal.

"It has advanced to the stage

where ... these things take time. It is just the last step," he said.

Proton and EON have been in protracted negotiations on the future distributorship of Proton cars, where Proton is insisting EON shares the research and development costs, and EON wants to be able to assemble and distribute other car brands.

"This (Volkswagen and Audi distributorship agreement) will not be the cause of any breakdown in the negotiations with Proton," Saleh added. - theedgedaily.com