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MAHATHIR-PROTON

PROTON TO PLAY LEADING ROLE IN IRAN'S AUTOMOTIVE INDUSTRY

PUTRAJAYA, Oct 29 (Bernama) -- National car manufacturer, Proton, today embarked on a strategic alliance with Iran's Automotive Industry Development Company (Aidco) that will see it play an integral role in developing the Iranian automotive industry over the next 16 years.

The venture spearheads Proton's global expansion programme and opens doors to a market with the potential of one million cars per year.

Under the Technology Cooperation Agreement signed between both parties in the presence of Prime Minister Datuk Seri Dr Mahathir Mohamad here, Proton will supply Malaysian-designed and built vehicle platforms and "Campro" engines.

Speaking at the event, Dr Mahathir said that the alliance would prove that Muslim countries had as much capability as anybody else.

"We should put on show our ability so that the perception of Islam as something that seems to be a millstone around our neck, preventing us from developing, is corrected," he said.

Dr Mahathir said that Malaysia-Iran cooperation could go even further.

"Together, we can have a stronger ability to acquire technology and develop our own technology. So the joint-venture is good for Iran and Malaysia and Islamic countries as a whole," he added.

The agreement paves the way for a joint-venture company to be formed between Proton and Aidco that will be licensed to assemble, manufacture and sell Proton's new generation "C" segment vehicles under a brand name to be mutually decided.

Proton chief executive officer Tengku Tan Sri Mahaleel Tengku Ariff said that it would be the first time Proton and Malaysian automotive technology and engineering capabilities were being offered to a third party.

"It gives us a market that has the potential of selling more than one million cars a year. This will provide us with the economies of scale that we require and it allows us to develop our future products at more competitive costs," he said.

The pact also calls for Proton to assist with developing the research and development as well as manufacturing capabilities until 2020.

Aidco is responsible for two of Iran's biggest car manufacturers -- Iran Khodro and Saipa Khodro -- that jointly have 90 percent of the Iranian automotive market.

Aidco is a subsidiary of the Industrial Development and Renovation Organisation of Iran which is affiliated to the Iranian Mines and Industries Ministry.

Elaborating, Tengku Mahaleel said the joint-venture company would assemble, manufacture and sell Proton's Campro engines and other engines up to a three-litre capacity with the option of venturing into compressed natural gas engines alternatives.

These engines will be fitted to new vehicles developed by the joint-venture company.

At the same time, Proton will provide the company with the necessary engineering and technical knowledge, facilities, equipment and resources to ensure a smooth technology transfer.

Earlier, while responding to questions from reporters on the Proton-Aidco pact, Dr Mahathir touched on the use of gold dinar for trade between Malaysia and Iran.

He said that it was progressing much faster than with the other countries.

"There is a lot of of preparation in Iran and Malaysia. I think other countries want to see the success of this (endeavour). I think they will want to come on board," he said.

Aidco was represented at the signing by its chief executive officer, B. Alimoradlou. -- BERNAMA

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