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Abdullah-Proton

PROTON MUST MAKE SERIOUS EFFORTS TO EXPAND ABROAD - PM

From Mohd Fisol Jaafar

TOKYO, May 26 (Bernama) - National carmaker Perusahaan Otomobil Nasional Bhd (Proton) must make serious efforts to expand its market share abroad while taking steps to be innovative and chart new strategies to face stiff competition from imported automobiles in the domestic market, Prime Minister Datuk Seri Abdullah Ahmad Badawi said here.

"The expansion of imported cars (in Malaysia) is an ongoing thing and I believe that it will continue to be that way. If Proton were to produce more cars for the expanding automotive market in Malaysia...that is also good for Proton.

"At the same time, Proton has to make serious efforts to get cut of the overseas market," he told the Malaysian media at the end of his three-day visit to Japan today.

Abdullah was asked to comment on a statement by Proton adviser Tun Dr Mahathir Mohamad in Putrajaya yesterday that the influx of foreign cars had adversely affected sales of national cars.

The former prime minister was reported as saying that the lack of control on the entry of foreign cars into the Malaysian market had caused a dent in Proton's sales.

Abdullah said Proton also has a good reputation as people in the automobile industry outside Malaysia whom he had met were keen to forge alliances with the national carmaker.

The prime minister said he was optimistic that Proton could weather the foreign competition, especially with its new ultra modern plant facilities at Tanjung Malim.

"With the setting up of the new plant, Proton would be able to produce better cars in the future and at competitive prices," he said, adding that Proton should be able to improve its technology and hold its position in the automotive market.

"I believe Proton can improve, be technologically advanced. The auto market is highly competitive and only the best can perform and only the best can secure markets.

"We have to be the best. Unless we are willing to do that, we cannot expect much," said Abdullah.

On Malaysia achieving a growth of 5.7 percent in its Gross Domestic Product in the first quarter of this year, Abdullah said it had been achieved amidst a global economic scenario that was not so upbeat at present.

Abdullah, who is also the finance minister, said Malaysia had not set a high economic growth target for this year in view of the present outlook.

He, however, described Malaysia's economic performance in the first quarter as uplifting and the numbers had given an assurance that the country would achieve a better overall growth for this year.

"If the first quarter performance is better (than forecast), then it would help to create a momentum for better growth for the whole of 2005," the prime minister said.

In her announcement of the country's economic growth in Q1 2005 in Kuala Lumpur, Bank Negara Malaysia governor Tan Sri Zeti Akhtar Aziz said the main contributors to growth were the agriculture and services sectors which both expanded by 6.0 percent each.

For the last quarter of 2004, agriculture grew by 7.3 percent while services expanded by 6.5 percent.

The mining sector was up by 3.3 percent (4.4 percent in the Q4 2004), construction dipped to 2.4 percent (- 2.6 percent) while manufacturing was slightly up at 5.6 percent (5.5 percent).

Dr Zeti said growth in the first quarter was rather big in all economic sectors except for construction. -- BERNAMA

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