

## 6.0 PROTON

Malaysia has its own car - the Proton Saga - which is built with 60 percent domestic content. The car is based on a Mitsubishi model and has been in production since 1986. The Malaysian government owns 70 per cent of the company and Mitsubishi owns the rest. Mitsubishi currently supplies much of the senior management, including the Chief Executive.

The company employs 1,600 people with 700 of these in manufacturing. It has a very impressive stamping operation, utilizing the most modern equipment including robotics and automated handling. Current annual output is about 80000 units from two shift production.

Presently a considerable volume of parts is being imported and the company's most important objective is to localize this production. Part of the problem will be to find moulds and machinery capable of moulding the various parts required. For example, a 1,600 ton moulding machine is required to mould the instrument panel and only one such machine is available in Malaysia. Therefore there is a good potential for Canadian automotive manufactures to market their technology, machines and moulds for the manufacture of Proton Saga parts. Proton is also about to start assembling engines in its plant. Currently all engines are imported from Japan. The company's goal is to eventually source the engine parts from Malaysia in order to complete the domestic content program.

In order to achieve higher local content, Proton will require the technical assistance of foreign manufacturers, either in the form of a technical assistance agreement or joint venture operations. The company welcomes participation from any party interested in providing the necessary technical assistance that will enable the company to manufacture automotive parts locally.

Thus there is a good market potential for Canadian automotive parts manufacturers wishing to enter the Malaysian car manufacturing industry.

In 1988 Proton engaged the services of a consultant from the USA to search for alternative sources for automotive parts and components that the company now sources from Japan. In the study, the consultant made reference to the Canadian automotive parts manufacturing industry. Proton therefore has some background knowledge of the capabilities of Canadian companies in this industry sector and this was enhanced when discussions were held with members of the Canadian Automotive Parts Manufacturers Mission when they visited Malaysia in April 1989.