

PENANG, OCT. 18 (BERNAMA) —ASEAN COUNTRIES MUST POOL THEIR RESOURCES TOGETHER AND BREAK INTO THE MOTOR VEHICLE INDUSTRY WHICH HAS SO FAR BEEN THE PREROGATIVE OF THE INDUSTRIALISED NATIONS.

DATUK SERI DR. MAHATHIR MOHAMAD SAID TODAY THAT WITH ASEAN'S COMBINED DOMESTIC MARKETS, COMPARATIVELY CHEAP LABOUR AND ABUNDANT ENERGY RESOURCES, ASEAN COUNTRIES COULD COMPETE WITH THEM.

THE DEPUTY PRIME MINISTER SAID THE MOTOR VEHICLE INDUSTRY HAD GROWN TO BECOME ONE OF THE FURTEST INDUSTRIES IN THE WORLD TODAY AND IT WAS ESPECIALLY IMPORTANT TO DEVELOPED NATIONS SUCH AS JAPAN AND THE UNITED STATES.

+FOR US ASEAN NATIONS, THE INDUSTRY HAS BEEN, UNTIL VERY RECENTLY, AN UNEXPLORED AREA. THEREFORE, IN MAKING OUR ENTRY INTO THE INDUSTRY, WE FACE COMPETITION FROM THE DEVELOPED NATIONS WITH THEIR NATURAL ADVANTAGES OF HIGH TECHNOLOGY, DEVELOPED MARKETS AND LONG HISTORICAL BACKGROUND IN THE INDUSTRY, + HE SAID.

DATUK SERI DR. MAHATHIR, WHO IS ALSO THE MINISTER OF TRADE AND INDUSTRY, WAS OPENING THE FIFTH ASEAN AUTOMOTIVE CONFERENCE AT HERE. REPRESENTATIVES FROM INDONESIA, THAILAND, SINGAPORE, THE PHILIPPINES AND MALAYSIA ARE ATTENDING THE TWO-DAY CONFERENCE.—BERNAMA MORE 1240/1B

NO12: (F)
MAHATHIR 2 PENANG

DATUK SERI DR. MAHATHIR SAID THE DEVELOPED COUNTRIES WERE CURRENTLY FACING RISING COSTS OF PRODUCTION DUE TO ESCALATING FUEL PRICES, HIGHER COSTS OF LABOUR AND MOUNTING INFLATION, THUS GIVING ASEAN AN EDGE OVER THEM.

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HE ADDED THAT THE FIRST PACKAGE OF COMPLEMENTATION PRODUCTS IDENTIFIED BY THE ASEAN AUTOMOTIVE FEDERATION (AAF) HAD BEEN AGREED UPON DURING THE ASEAN INDUSTRY MINISTERS' MEETING IN BALI LAST MONTH.

TO ENSURE THAT THIS PACKAGE WAS BENEFICIAL TO EVERY MEMBER COUNTRY, AN ADDITIONAL INDICATIVE LIST OF PRODUCTS WAS INCLUDED.

HE URGED THE COMPANIES CONCERNED TO GO AHEAD AND EXPLORE ALL POSSIBLE MARKET OUTLETS FOR THEIR PRODUCTS. —BERNAMA MORE 1245 /1B

NO13: (F)
MAHATHIR 3 PENANG

HE SAID IT WAS IMPERATIVE THAT THE GOVERNMENTS OF ASEAN COUNTRIES TOOK DEFINITE MEASURES TO ENSURE THE VIABILITY OF THIS ASEAN COMPLEMENTATION IN THE MOTOR VEHICLE INDUSTRY.

HE SUGGESTED THAT THESE MEASURES COULD BE ALONG THE LINES OF THE PROTECTIONIST POLICIES PRACTISED BY THE INDUSTRIALISED COUNTRIES.

DATUK SERI DR. MAHATHIR SAID WHAT WAS IMPORTANT WAS THE DIFFERENTIATION OF ASEAN IMPORTS FROM NON-ASEAN ONES BY WAY OF TARIFF AND NON-TARIFF PREFERENTIAL AGREEMENTS.

ANOTHER POINT TO BE CONSIDERED WAS THAT COMPLETELY KNOCK-DOWN OR CKD PACKS WERE SUBJECT TO LOWER IMPORT DUTY THAN SPARE PARTS. THE DELETION OF COMPONENT PARTS FROM CKD PACKS, THEREFOR, WOULD NOT ONLY GIVE RISE TO COST PENALTY DUE TO LOWER DELETION ALLOWANCE GIVEN BY PRINCIPALS, BUT ALSO DUE TO HIGHER IMPORT DUTIES PAYABLE ON THE COMPONENT PARTS IMPORTED FROM ASEAN MEMBER COUNTRIES.—
BERNAMA MORE 1250/1B

MAHATHIR 4 PENANG

THIS WOULD BE A DISINCENTIVE TO ASSEMBLERS TO IMPORT COMPONENT PARTS FROM OTHER MEMBER COUNTRIES UNLESS SUCH PARTS ARE GIVEN RECOGNITION OF LOCAL CONTENT STATUS OR GIVEN SPECIAL DUTY PREFERENCE, + HE ADDED.

ON THIS MATTER, COIME (COMMITTEE ON INDUSTRY, MINERALS AND ENERGY), IN ITS MEETING IN BALI, HAD PROPOSED THAT AN AUTOMOTIVE PREFERENTIAL NEGOTIATING GROUP (ANG), BE SET UP TO UNDERTAKE SUCH FUNCTIONS IN ORDER TO ENCOURAGE AND FACILITATE EFFECTIVE TRADE FLOW AND COMPLEMENTATION OF THE AUTOMOTIVE PARTS.

+WE CAN SEE THAT MUCH HAS BEEN DONE BUT MORE WILL HAVE TO BE DONE BEFORE THE ULTIMATE REALISATION OF ASEAN COMPLEMENTATION IN THE MOTOR VEHICLE INDUSTRY, + HE SAID.

DATUK SERI DR. MAHATHIR SAID HE WAS KEEN TO SEE THE EXCHANGE OF AUTOMOTIVE PRODUCTS AS SOON AS POSSIBLE. MALAYSIA, HE ADDED, HAD IMPOSED A LOCAL CONTENT PROGRAMME ON ITS TWO-WHEELER INDUSTRY.

+I AM PREPARED TO EXTEND LOCAL CONTENT STATUS TO COMPONENTS SOURCED FROM OTHER ASEAN MEMBER COUNTRIES ON THE UNDERSTANDING THAT SUCH RECOGNITION IS RECIPROCATED, + HE SAID. — BERNAMA 1255/1B