

PARLIAMENT-CAR

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KUALA LUMPUR, JULY 26 (BERNAMA) -- THE GOVERNMENT DOES NOT PROPOSE TO RESTRICT IMPORTS OF CARS AND THE MARKET OF THE LOCAL CAR ASSEMBLY INDUSTRY FOLLOWING THE IMPLEMENTATION OF THE MALAYSIAN CAR PROJECT, DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

HOWEVER, NO NEW ASSEMBLY PLANTS WOULD BE ALLOWED TO BE BUILT, THE PRIME MINISTER TOLD THE DEWAN RAKYAT.

REPLYING TO ENCIK SHAMSURI SALLEH (BN-BALIK PULAU), HE SAID THAT THE GOVERNMENT WOULD DO ITS BEST TO ENSURE THAT MADE-IN-MALAYSIA CARS WOULD BE CHEAPER THAN IMPORTED ONES THAT WERE ASSEMBLED LOCALLY.

THE DESIGN OF THE MALAYSIAN-MADE CARS WOULD ALSO BE DIFFERENT FROM THE IMPORTED ONES, HE ADDED.

REPLYING TO THE ORIGINAL QUESTION BY ENCIK LIM KIT SIANG (DAP-KOTA MELAKA), HE SAID THAT BEFORE THE PROJECT WAS LAUNCHED, THE HEAVY INDUSTRIES CORPORATION OF MALAYSIA (HICOM) AND MITSUBISHI MOTORS CORPORATION AND MITSUBISHI CORPORATION HAD CARRIED OUT DETAILED STUDIES. -- MORE 1818/0D

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THE FINDINGS SHOWED THAT THE PROJECT WAS NOT ONLY VIABLE BUT WOULD PROMOTE THE GROWTH OF AUXILIARY INDUSTRIES IN THE COMPONENTS INDUSTRY, HE SAID.

+THE STUDY TOOK INTO ACCOUNT THE CAR MARKET IN THE COUNTRY AND THE SOCIO-ECONOMIC FACTOR', HE SAID.

BESIDES GIVING PRIORITY TO JOB OPPORTUNITIES AND THE PRODUCTIVITY OF THE WORKERS, CONSIDERATION WAS ALSO GIVEN TO THE UPGRADING OF THE LEVEL OF ENGINEERING SKILLS, THE TECHNOLOGICAL DEVELOPMENT OF THE SUPPORTIVE INDUSTRIES AND THE RESTRUCTURING OF THE CAR INDUSTRY IN THE COUNTRY, HE ADDED.

ON THE HIGH COST OF THE PROJECT, THE PRIME MINISTER SAID THAT THE MALAYSIAN CAR INDUSTRY INVOLVED NOT ONLY ASSEMBLY OF CARS BUT ALSO THE MANUFACTURE OF VARIOUS PARTS OF THE CAR.

IT WOULD BE CAPABLE OF MANUFACTURING +PRESS PARTS+ FOR THE CAR BODY WHICH WAS A STEP TOWARDS THE PRODUCTION OF PASSENGER CARS THAT WERE MANUFACTURED ENTIRELY IN MALAYSIA. -- MORE 1837/0D

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THOUGH THE CAPITAL WAS \$560 MILLION, FOR A PLANT THAT HAD THE CAPACITY TO PRODUCE 120,000 CARS A YEAR WHEN FULLY OPERATIONAL, THE AMOUNT WAS CONSIDERED SMALL, HE SAID.

THE PRIME MINISTER SAID THAT ENCIK LIM'S SUPPOSITION THAT THE MINIMUM RATE OF PRODUCTION OF AN ASSEMBLY PLANT WAS 100,000 CARS A YEAR WAS OFF THE MARK.

THE BIGGEST CAR ASSEMBLY PLANT IN MALAYSIA WAS CAPABLE OF PRODUCING ONLY 25,000 UNITS OF PASSENGER CARS A YEAR, DATUK SERI DR. MAHATHIR SAID.

TO PRODUCE 100,000 UNITS A YEAR, THE LOCAL CONTENT REQUIRED WAS BETWEEN 90 AND 100 PER CENT WHILE FOR THE MADE-IN-MALAYSIA CAR INITIALLY ONLY 36 PER CENT WOULD COMPRISE COMPONENTS THAT WERE LOCALLY MANUFACTURED.

HE SAID THAT IN TAIWAN, A PLANT PRODUCED ONLY 30,000 UNITS OF CARS A YEAR THOUGH ITS LOCAL CONTENT WAS 85 PER CENT, HE ADDED

-- MORE 1919/00

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REPLYING TO ANOTHER QUESTION BY ENCIK LIM WHO SAID THAT SEVERAL ECONOMIC EXPERTS WERE OF THE VIEW THAT THE MADE-IN-MALAYSIA CAR WOULD BE MORE EXPENSIVE THAN THE IMPORTED ONES, DATUK SERI DR MAHATHIR SAID THAT HE HAD MORE CONFIDENCE IN THE FINDINGS OF STUDIES BY MITSUBISHI'S ECONOMIC EXPERTS BECAUSE THEY HAD EXPERIENCE IN THE FIELD.

HE SAID THAT MITSUBISHI WAS AMONG THE 20 BIGGEST COMPANIES IN THE WORLD.

HE ADDED THAT THE VIEWS EXPRESSED BY ECONOMIC EXPERTS WHO HAD NO EXPERIENCE IN THE CAR INDUSTRY WERE VERY DISAPPOINTING.

IF JAPAN HAD SUBSCRIBED TO SUCH VIEWS, TILL TODAY IT WOULD NOT HAVE MANUFACTURED ITS OWN CAR, HE SAID.

REPLYING TO DR KOH TSU KOON (BN-TANJUNG), THE PRIME MINISTER SAID THAT IT WAS PROJECTED THAT THE DEMAND FOR CARS WOULD BE 200,000 UNITS A YEAR BY 1995, COMPARED TO ABOUT 100,000 A YEAR NOW.

-- BERNAMA 1924/00