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MANAGEMENT ISSUE TN SECOND NATIONAL CAR PROJECT CAN BE SOLVED

Mahathir-car

From Azman Ujang

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Ⓟ Dr. M - overseas trips.

TOKYO, Oct 20 (Bernama) -- A management and administration hitch holding up implementation of the second Malaysian national car project can be overcome if the Malaysian partners are willing to compromise, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

Daihatsu Motor of Japan which holds a 30 per. cent stake in the project. informed him of the hitch they faced with their partners in Malaysia, he added.

Under the project, Daihatsu would produce an economical car of 660 cc in partnership with Med-Bumikar Mara, Permodalan Nasional Bhd and UMW Holdings Bhd.

Speaking to Malaysian reporters at the end of his visit to Japan, Dr Mahathir said Daihatsu chairman J. Osuga, informed him during their meeting yesterday that the problem was over the issue of management control.

Last July, Daihatsu Motor of Japan and Med-Bumikar Mara were engaged in a tussle for control of the management of the new company. --- more

▼20/10/12-18MST

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Mahathir-car, 2 Tokyo

Dr Mahathir said the Malaysian partners should not place too much emphasis on the question of management control in the initial stage of the project, without taking into account other aspects.

+In my view, in the early stages, we learn first. When we are already efficient and we want to take over we can do so, he added.

Dr Mahathir wanted the Malaysian partners to learn from the experience gained by Proton, manufacturer of the first national car, so as to avoid a recurrence of the problem.

He said: +For example, in Proton, we did not give any place to the Japanese side (Mitsubishi Motors Corporation) to the extent that they were unable to attend board meetings or when a briefing was given to me.

+Japanese managers were not able to attend at all. For that reason, Proton could not progress and, in fact, suffered losses.

To overcome the problem, Malaysia took in Japanese management from Mitsubishi Motors without ousting the Malaysian managers, he added, saying the management improved and now the company was making profits. -- more

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Dr Mahathir, whose brainchild it was to produce the first national car, Proton Saga, said a Malaysian would succeed Proton's Managing Director Mitsuo Hattori when he retired or returned to Japan.

+The person who takes over is already conversant with the workings and management of Proton, + he added.

In the case of the second car project, Dr Mahathir said although the Malaysian management might already possess knowledge of the automobile industry, the country, still needed Japanese expertise in order to learn the production process or to reduce production costs.

+Even if the Japanese might not be given full powers as Managing Director, Malaysians must be willing to accept the view of those who know better, + he added.

He said the world recognised Japan's superiority in the automobile industry.

Criticising the Malaysian partners, he said: +Germany too admit they are unable to compete with the Japanese in terms of quality.

so, we in Malaysia should not adopt a proud attitude and -think we already know everything and do not need anyone to teach us, + -- more

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Dr Mahathir said except, for the management issue, other aspects of the project were proceeding on schedule and the first car was- expected to roll off the assembly line in the third quarter of 1994.

He added; +So, we 'have only 18 months to build the plant, install the equipment and manufacture the car. And, this is no easy task.

+If we do not take the Japanese at all and we do it ourselves, even in 10 years we will not be able to complete it.+

The project' is scheduled to get off the ground on a 640-hectare site in Serendah, Hulu Selangor, at the end of the year with a minimum capital investment of 25 billion yen (100 yen = M\$2).

It is envisaged that the plant would produce 15,000 units in its first year of operation.

Turning to Proton, Dr Mahathir said although Malaysians would eventually take over management, the country could not do away with the <Japanese completely in view of their knowledge and the fact that the automobile industry was not a static one. -- more

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+The automobile industry" evolves all the time. A modern car today would be out of date tomorrow. So, if we sever all ties with the Japanese and we are unable to conduct in-depth research because of the high cost involved, we will be producing out-dated vehicles which would not be saleable,+ he added.

Asked when Malaysians could take over management of Proton, he said it might be possible in less than five years but the time frame was not firm.

He added: +We always want to think of doing things ourselves and do not want to learn from others. If we have such thinking, we cannot progress.

+As a doctor, I am always ready to learn from others in order to progress. +-- Bernama

▼20/10/12-46MST