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PERODUA MUST GO INTERNATIONAL, SAYS PM

KUALA LUMPUR, Aug 29 ⁹⁴ (Bernama) -- Perodua Kancil must be capable of entering the international market although the competition was stiff, Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight.

He said exports of Perodua Kancil could help in the country's balance of payment with the inflow of foreign exchange.

Speaking at the launch of Perodua Kancil here, Dr Mahathir said lowering the production costs should be the prime objective of the car manufacturer so that its competitiveness in the international market was ensured.

Its intention to enter the foreign market should also be planned carefully so that it would succeed, for if it were to fail, it would be difficult to revive it, he added.

Dr Mahathir also advised Perodua to work hard in increasing local components in the national car industry to ensure that the price of the car remained competitive besides stabilising its costs.

Dr Mahathir said efforts to develop the local components industry must be continued to enable the country to have a 100 percent level capability and the use of local components could help to check the problem of the rising yen.

"In view of this, Perodua should take steps so that the use of local components could help reduce the overall costs of the car," he said.

For this to occur, he said the joint venture partners with the technology could perhaps be selected with care so that the cost of technology transfer did not become a burden and management costs could be reduced.

The prime minister also told Perodua not to hope for special tax incentives from the government for it to achieve profits.

He said its system of production, search for the cheapest source of components, efficiency in its work and the close management and supervision of expenditure were among the ways to reduce production costs and improve profitability.

Dr Mahathir said car industries in other countries did not depend on protection from their governments for long and yet they were still able to produce high quality cars at low prices.

"When we are able to control the technology for making cars, we should be able to manage the industry without protection," he said, adding that Perodua ought to be aware of competition and challenges ahead with the emergence of new and sophisticated technologies and designs.

The prime minister said the Perodua Kancil must use whatever advantage it had to prove its worth as the second national car.-- Bernama