

Success in making national cars proof of

P.M.: Malaysia

By Manan Osman

KUALA LUMPUR, Tues. Datuk Seri Dr Mahathir Mohamad said Malaysia's experience in the manufacture of its national cars has proven that it has the ability to acquire the highest technology and be competitive in the international market.

The Prime Minister said the manufacture of the Proton and Perodua has shown that Malaysia could also be sufficiently skilful and efficient to be competitive internationally.

He said this at the signing of a memorandum of understanding (MoU) among Diversified Resources Berhad (DRB), Kawasaki Heavy Industries Ltd and Nissho Iwai Corporation here today.

He said the current success of Proton and Perodua had enabled the country to provide affordable motoring to a large sector of the population.

"Already, Malaysia has one of the highest number of motor vehicles per capita in Asia.

"This volume has helped to ensure the development of a whole network of components manufacturing with its attendant benefits of research and development capability, high-skilled labour and substantial foreign exchange savings," he added.

He was also confident that the development and manufacture of the national motorcycles and small engines would provide another quantum leap in this direction, besides helping the country to achieve a highly motorised population.

Dr Mahathir said that while he was confident of the success of the national motorcycle project, he hoped that the project will see a much faster transfer of technology.

Therefore, he hoped that the national motorcycle and small engine project would be able to see a much faster transfer of technology from Kawasaki to its Malaysian counterparts.

"I trust our national motorcycles and small engines can be exported worldwide as early as possible," he said.

The MoU is for the development and manufacture of Malaysia's first national motorcycle and multiple ap-

plication small gasoline engines.

DRB was represented by its chairman Datuk Yahya Ahmad while the president of Kawasaki Heavy Industries Ltd, Dr Hiroshi Ohba, and Nissho Iwai Corporation president Akira Nissho signed for their respective companies.

The joint venture agreement is expected to be signed in three months and production of the motorcycles is scheduled to begin 12 months later.

Dr Mahathir said the small multi-application engines could be widely used in the agriculture and construction sectors to help the local people to improve their productivity and efficiency with minimal capital outlay.

Given the potential of the Malaysian market, the growth in Asean, East Asia and now, South Asia, the national motorcycles and small engines venture should be successful, he said.

The acid test for this venture and others in the manufacturing industry would be whether they would be competitive in the international market.

Dr Mahathir said the expansion of the manufacturing sector would help to drive and maintain Malaysia's robust economic growth, towards attaining the national objective of turning the country into a fully developed nation by 2020.

Under the joint venture for the project, a company will be formed in three months in which DRB will have a 70 per cent stake while the Japanese parties will equally own the remaining 30 per cent interest.

The plant is expected to produce 350,000 motorcycles a year for domestic and foreign markets. It is expected to use local components fully within three years of its operations.

Replying to questions from reporters later, Dr Mahathir said the Government would extend its full support to the national motorcycle project like what it did to the national car.

However, he said the tax advantage enjoyed by the

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country's skill and efficiency

can do it

Malaysia to push hard for transfer of technology

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manufacturers would not be as much as the national car project.

Asked whether 75 per cent of the motorcycles produced would be for the local market, he said it was up to the company.

"It can even produce 100 per cent for the local market. The important factor is that it must meet the taste of the Malaysian consumers."

He also said that Malaysia would push for Japanese companies to speed up the transfer of technology to their Malaysian counterparts.

"We would like to have an accelerated transfer of technology."

"We can't wait another 200 years to learn how to do things."

Dr Mahathir also said that Malaysia would soon be manufacturing a national van to be followed by one-ton trucks and other heavy vehicles.

By the year 2020, Malaysia would have a full range of vehicles, he said.

On the national van, Dr Mahathir said it would be produced by Perodua, the manufacturer of Malaysia's second national car.

Asked whether the motorcycle project can be turned into an Asean project, he said that it was possible if Asean countries wished to participate.

However, he said like the national car project, Malaysia had to go ahead first to find out whether the project was viable.

Asked why Kedah was selected for the site of the project, Dr Mahathir said the land in the State was

cheaper and that it was difficult to employ workers elsewhere.

He said it could also be because the company wanted to site the plant close to Perwaja which produces steel. Perwaja has a plant in Sungai Petani.

To another question, he said other companies could also join forces with DRB to manufacture the motorcycles with the Japanese companies.

However, he said since DRB was a listed company, a lot of people were already involved.

International Trade and Industry Minister Datuk Seri Rafidah Aziz was also present at the ceremony.

Yahaya said the company has identified several pieces of land totalling between 40.4 and 60.6 hectares in Gurun and Sungai Petani, Kedah to build the manufacturing plant.

He, however, declined to reveal the investment figure for the project, saying that he hoped it would cost less than RM500 million.

Initially, the joint venture would produce 90 to 110cc motorcycles, to be followed by 120 to 150cc motorcycles at a later date.

The company has also identified countries in Asia, Latin America and Africa as potential export markets for the motorcycles.

Yahaya said he expected the project would spawn a viable network of component manufacturers in the surrounding proposed plant site.

Within three years, the joint venture expects all the motorcycles to have 100 per cent local content.