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## HICOM, DRB SIGNS WITH ISUZU FOR FIRST NATIONAL TRUCK

By: Tham Choy Lin

TOKYO, May 14 (Bernama) -- Malaysia's first national truck project was put on the track when Hicom Holdings Bhd and its subsidiary, Diversified Resources Bhd (DRB), signed a memorandum of understanding (MOU) with Japan's largest commercial vehicle maker, Isuzu Motors Ltd, here today.

It would be modelled after Isuzu's light duty trucks and is to be built by DRB-owned Automotive Manufacturers Malaysia Sdn Bhd under a joint venture company to be formed by the three parties.

The signing ceremony at Isuzu's biggest light truck manufacturing plant in Fujisawa, 60 km south of here, was witnessed by Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad.

Dr Mahathir assured Isuzu president, Kazuhira Seki, that the government would give its full support to ensure the success of the project both for the Japanese manufacturer and its Malaysian partners.

The Prime Minister also viewed privately two prototypes of the proposed Malaysian truck.

Hicom, the maker of Malaysia's first national car, Proton, was represented by its president and executive chairman, Datuk Seri Yahaya Ahmad, DRB by group managing director, Datuk Saleh Sulong, while Seki signed for Isuzu.

The equity ratio for the project will be finalised later and the joint venture company would be set up after a feasibility study of the project.

Seki said after the ceremony that Isuzu wanted an equity ratio of 20 to 25 per cent, adding that as for the partnership, he did not foresee any major problems because the three parties had worked together for a long time.

Another DRB subsidiary, ACM Sdn Bhd, assembles Isuzu vehicles for the Malaysian market in Kuantan since 1984 and had churned out 50,000 units so far.

In response to the equity proposal, Dr Mahathir said the government would ensure that Malaysia's interest be maintained while making Isuzu's participation "worthwhile."

The Prime Minister also asked Isuzu to keep the production cost of the national truck as low as possible not only to make it attractive for the Malaysian market and eventual export but also to help Malaysia reduce imports to cut down on its existing current account deficit.

"Our biggest deficit is with Japan which is higher than the national deficit. I hope Isuzu will help us reduce the import bill and increase the exports," he said.

Seki said the truck project was of big value for Isuzu which viewed Malaysia as an important market.

He repeatedly expressed that Isuzu would "go all out" to make the venture a success.

Dr Mahathir, who spent an hour touring the plant and was impressed by the disciplined and efficient staff, also wanted Isuzu to impart its training and work culture to Malaysians.

He was also shown the latest range of Isuzu commercial vehicles and test drove a coach bus, a container truck and a utility model.

Isuzu, which aims to be the world's largest producer of commercial vehicles, chalked up sales of 1.2 trillion yen last year. -- BERNAMA

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