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"KRISS" TO RAISE BUMI MOTORCYCLE DEALERSHIP TO 9.0

By: Mohd Arsi Mohd Daud

GURUN, Oct 2 (Bernama) -- Bumiputera participation in motorcycle distribution in the country will be raised to nine percent from 1.5 percent currently with the introduction of the new national motorcycle, "Kriss."

Tan Sri Yahaya Ahmad, the chairman of Motosikal dan Enjin Nasional Sdn Bhd (Modenas), the manufacturer of the 110 cc vehicle, said in three years' time, it would be raised to 19 percent.

"However, this will not jeopardise the participation of non-Bumiputera dealers," he said at the launching the national motorcycle manufacturing plant here by Prime Minister Datuk Seri Dr. Mahathir Mohamad.

Yahaya told reporters later that by the time the bikes begin to sell probably next month, some 40 Bumiputera dealers would be appointed accounting for 36 percent of total dealers appointed for distributing the motorcycle.

The bike would be sold as soon as Modenas receives the government's approval on the pricing for the vehicle.

He said "Kriss" was expected to capture 30 percent of the present 110 cc segment based on the motorcycle's design and the nationalistic character of the bike.

At present, the four-stroke 110 cc motorbike segment market registered sales of 260,000 per year.

On future export plans, he said "that was the fundamental issue of the joint venture agreement with the Japanese partners."

Once production peaks, Modenas plans to export to China, Vietnam, Cambodia as well as countries in Latin America and Africa.

Modenas is a joint venture between Diversified Resources Bhd (DRB) (with a 55 percent stake), Khazanah Nasional Bhd (15 percent) along with Japan's Kawasaki Heavy Industries Ltd (19 percent) and Nissho-Iwai Corporation (11 percent).

Yahaya said Kawasaki has given its assurance that it would assist as much as possible on matters related to production while Nissho-Iwai, the trading company, would be involved in the promotion of the bike in export markets.

He also described the venture as a very strategic one for Kawasaki, which now was only a small player in the motorcycle segment here, as it would be able to garner a bigger market share of the local market.

At present, Honda controls 40 percent of the market, Suzuki 30 percent, Yamaha over 20 percent and the balance held by Kawasaki and other makes equally.

On local content of the "Kriss," he said it would be increased from 70 percent now to 95 percent in three years' time.

However, he said the company has set itself an internal target of achieving 95 percent local content in two years.

Commercial production of the bikes started in August at the RM300 million plant which currently has 500 workers with plans afoot to raise the number to 800 in three years' time.

Initially, 100,000 units are targeted to be produced in the first year, followed by 200,000 units by the second year and 350,000 units by the third year of operations.

Besides this, there were plans to include a research and development centre and a test track within the next five years.

Meanwhile, a motoring analyst told Bernama that should Modenas manage

to price the bike well below RM4,000, it could have a similar price advantage as that enjoyed by the national car, Proton, against non-national cars. -- BERNAMA

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