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Mahathir-components

LOCAL AUTOMOBILE INDUSTRY SHOULD STOP DEPENDING ON JAPAN

KUALA LUMPUR, Feb 15 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today it is time for the local automobile industry, especially Perusahaan Otomobil Nasional (Proton), to stop depending on Japan for car components.

The Prime Minister said with Proton's ability to produce almost 200,000 cars a year, dependence on Japan could be reduced and the components sourced locally as there now existed economies of scale.

"Although many products are already made in Malaysia they still contain imported child parts, especially from Japan.

"We want these components to be produced by Malaysia because we now have reached the required number of cars to make the parts making industry profitable," he told reporters after recording his Hari Raya Aidil Fitri message at RTM here.

Dr Mahathir said the continued dependence on Japan for car components had pushed up Malaysia's import bill, which in turn contributed to the country's balance of payments deficit.

Apart from this, the government frequently had to approve Proton's application to increase the price of the national car each time the Japanese currency appreciated, he said.

"We want to lessen the effects of yen fluctuation. Now the yen has dropped slightly but at one time it rose until 80 yen for one US dollar. At that time, our products also became more expensive because we imported from Japan," he said.

Dr Mahathir, who will make an unofficial visit to Japan this Feb 25 to 27, said he would take the opportunity to view the facilities and methods of producing components required by the national automobile industry, particularly Proton.

He expressed confidence that Malaysians were capable of making components that were still being imported, like the way they had produced various other goods using foreign technology.

"Of course, skill has to be upgraded but it is not difficult for us to master. If we have the will we can do it, and we must learn to further improve the technology that we picked up so that we are not only on par with others but better than them," he said.

Asked if he was satisfied with the level of Japanese technology transfer in the local automobile industry, Dr Mahathir said no country would impart all its expertise to other countries.

"For example, we do not give all our technology on rubber and oil palm clones to others," he said.

He said a country was only willing to transfer all its technology if there was royalty payment.

However, this would increase the production cost of the country receiving the technology and make its industry not so competitive, he said.

In this connection, Malaysians should hone the technology they learned from others so that they could produce better goods than those made in countries which gave them the expertise, he said. -- Bernama

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