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Inokom's Permas to hit the streets in Jan

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NATIONAL light commercial vehicle manufacturer Inokom expects to sell about 3,000 vehicles in its first year and break even in two to three years, said its managing director, Mr Lim Khoon Yee.

Speaking after the official opening of the RM100 million Industri Otomotif Komersial (M) Sdn Bhd plant in Kulim, Kedah on Saturday, Lim said the Inokom vehicles will go on sale in January.

Prime Minister Datuk Seri Dr Mahathir Mohamad opened the plant and witnessed the commercial production commencement of Inokom's first product, the 2,165cc Inokom Permas.

Inokom is a joint venture between local parties Berjaya Group Bhd (35 per cent), Polis DiRaja Malaysia Cooperative subsidiary Pesumals (M) Sdn Bhd (30 per cent), Hyumal Motor Sdn Bhd (5 per cent), and two foreign partners French car manufacturer Renault (15 per cent) and South Korea's Hyundai Motor Company (15 per cent).

For a start, Inokom will produce eight variants of the Renault Traffic-based vehicles - long wheel base and short wheel models, each in high roof, panel, window and chassis cab versions. Inokom's next project will be a Hyundai Porter-based truck by the end of 1998.

The Permas will enter the segment of the commercial vehicle market which is less than 5 tonnes gross vehicle weight (GVW), competing with vehicles such as Ford's recently-launched Transit, and although the prices of the products have not been finalised yet, Lim said they will be competitive.

Lim said the target is for Permas to have 80 percentage points in terms of local content by year 2000 from the present 50.

Currently, Inokom does not have its own stamping facilities.

"We will only do our own stamping when the volume justifies the investment," Lim said.

The depreciation of the ringgit has also affected the cost of production despite forward contracts.

"You can only hedge up to a certain number of shipments," said Lim.

Inokom expects to produce 10,000 units of Permas yearly by next year at the plant which has a maximum capacity of 40,000 units a year on two shifts.

Renault's senior vice president for international operations Manuel Gomez described the joint venture as not only an opportunity, but a policy for the French vehicle manufacturer overseas.

"Renault's development in the international arena is in every case a kind of joint venture."

It is Renault's third such joint venture in Asia, after China and Taiwan, where Renault badged vehicles are produced.

Gomez said he is very optimistic of the development of Renault's common activities with Inokom in Malaysia. "We are very confident and impressed with the management of this company."

Gomez said the fact that the Renault Traffic-based vehicles will be badged as Inokom vehicles here will not make a difference to Renault because the quality and concept of the vehicle is identical. "We guarantee the same quality as provided by Renault everywhere in the world."

He said the contract with Renault specifies that Inokom can export the Permas to the Asean market only at present, adding that Renault may ask that should the vehicles be exported outside the Asean region in future, they be badged as Renault vehicles. "For us, it is the same car."

Management of operations is entirely under Inokom while the transfer of technology to Inokom is by a combination of royalties to Renault for each vehicle made and technical assistance.

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