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Perkasa launch shows Malaysia has the capability

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THE launch of the national truck on Tuesday saw plenty of the usual flag waving, clapping and rousing patriotic songs, and more of Malaysia Boleh. And so we should.

It was not too long ago that Malaysia, like the rest of the region, was basking in the praise of the West and drank in praises of how well Asia's economies were doing. But almost overnight the region was reduced to a mere pussycat, instead of the economic tiger that it was growing up to be.

Had we become complacent and so self-assured that we began to believe what we wanted to hear, that we could continue growing indefinitely? Or was it external forces beyond our control, attempting to take us down a notch or two, that have put us in this depressed state?

Regardless of the cause, it is time we take matters into our own hands and be responsible for our own destiny; difficult as that may be in an increasingly global business environment.

It is time for Malaysians to believe in their own capabilities, and also for companies to produce quality products that Malaysians can believe in and use as a matter of free choice rather than because of a lack to it.

The national truck - Hicom Perkasa - is a good example of just such a product. Even though it carries the coveted "national" status, the Perkasa is subject to the same 5 per cent duty as the completely-knocked-down (CKD) commercial trucks of other makes in its class.

This will make Perkasa the first of our national vehicle that can proudly claim to be sought after in its own right.

This means that unlike the Proton or Perodua cars which attract significantly lower duties compared with the non-national passenger cars, the Perkasa will have to compete in the even playing field that foreign manufacturers so often demand.

While the market share of the non-national cars is significant, it must not be forgotten that they achieved it with the help of a preferential tax structure which results in other makes of the same class much more expensive.

The Perkasa will compete in the lucrative decontrolled segment - commercial vehicles of 5 tonnes and below, which are not used for hire - which makes up about 60 per cent of the commercial vehicle market, and currently has about 800,000 vehicles on the road.

The trucks in four-, five- and seven-tonne versions are also export-ready and a completely-built-up programme is already being prepared to take the Perkasa to the rest of the region.

Early target markets are Singapore, Brunei, Hong Kong, Australia and New Zealand and these are markets where the Japanese manufacturers are well-entrenched, so a new player like HICOM will have a tough battle.

The line that is often repeated in Malaysia is that we have to be competitive in price, in quality and in service to be able to compete in the global market or even locally as Malaysia faces the eventual liberalisation of its market.

Another reason for the flag waving is Malaysia's capability to manufacture the truck. While it is more or less still a CKD operation for now, Malaysia is one of the few developing countries to have such capabilities and at least we build our national vehicles ourselves in Malaysia.

However, one point raised by Prime Minister Datuk Seri Dr Mahathir

Mohamad, albeit an old one, is the local contents of the national vehicles - they are not as high as they seem since much of that local contents contain foreign bits and pieces. This is an issue that continues to plague the development of the local industry.

Again, the Perkasa will be another test case. There are plans to increase the local material contents of the national truck to 80 per cent from a present 50 per cent in five years. And why not?

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