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Egypt to support Perodua's plans (HL)

Fauziah Ismail in Cairo

CAIRO, Mon: Egypt has agreed to support, in whatever way possible, Perusahaan Otomobil Kedua Sdn Bhd (Perodua)'s plans to initially assemble and later manufacture Kancils here, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Perodua, which is already making inroads into Egypt with its Kancil, will initially assemble the car here together with its Egyptian partner and in collaboration with Perusahaan Otomobil Nasional (Proton).

Egypt gave this undertaking at a meeting between Dr Mahathir and his Egyptian counterpart, Dr Ahmad Kamel El-Ganzouri.

Dr Mahathir, speaking to Malaysian newsmen at the end of his second official visit to Egypt yesterday, said Perodua can take advantage of the many motor vehicle assembly plants here which are not fully utilised for the assembly of the Kancil.

Perodua and its Egyptian partner have also been given a large piece of land in Cairo for the purpose of manufacturing the Kancil in Egypt.

Perodua began exporting the Kancil to Egypt last February and its first consignment of 80 Kancils was snapped up in the first week of its arrival.

The second consignment of 120 units will arrive in mid-May and another 140 units will be shipped here at the end of the year.

It is understood that Perodua, Proton and its Egyptian partner had initially looked into the feasibility of immediately manufacturing the Kancil in Egypt but it was found to be more commercially viable to first assemble the car instead.

Asked if Proton too would be making inroads into Egypt, Dr Mahathir said the national car company is also looking at the assembly of the car here, given the fact that there is a high duty on imported cars in the country.

DRB-HICOM Group chairman Datuk Wira Mohd Saleh Sulong, who is a member of the Malaysian business delegation accompanying the Prime Minister on the official visit, said it would not be feasible to start a new assembly or manufacturing outfit in Egypt as there are many assembly plants here which are under-utilised.

"What we can do is to bring in the completely knocked-downs in and assemble them here. Without the support of any detailed study of the market here, I would say that we can sell some 200 Protons a month here," he added.

Assembly and production of Malaysian national cars here later on could also eventually lead to the manufacture of parts and components which Malaysia and Egypt can export to each other and to third countries.

Perodua is the second Malaysian entity after Sime Darby to have operations in Egypt.

Sime Darby Edible Oils Products has been operating in Alexandria since 1991, producing 60,000 tonnes of palm oil products a year through its two refineries which cost US\$40 million (US\$1 = RM3.81) each.

Sapura, the telecommunications and multimedia company, is also looking for contracts and joint ventures in Egypt while Business Focus is looking at the privatization of the Alexandria Shipyard.

During his discussions with El-Ganzouri which he described as "positive", Dr Mahathir said both countries suggested third-party cooperation with Gulf states to increase foreign direct investments in Malaysia.

Egypt also agreed to eliminate checks on radioactivity of Malaysian palm

oil into the country. This would further facilitate the export of Malaysian palm oil to Egypt.

Malaysia's trade with Egypt totalled RM652.54 million last year. In January of this year, total trade between the two countries amounted to RM110.71 million.

Malaysia's main export items include vegetable oils (fluid or solid, crude, refined or purified), animal/vegetable oils and fats (processed, and waxes of animal or vegetable origin), natural rubber and gums (in primary forms), television receivers, veneers and plywood, electrical and non-electrical household equipment, paper and paperboard, semiconductor devices, automatic data processing machines and polymers of ethylene.

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